

Will UNC system have to close one of its campuses?/3



CAROLINA JOURNAL

A MONTHLY JOURNAL OF NEWS, ANALYSIS AND OPINION FROM THE JOHN LOCKE FOUNDATION

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EASLEY COPS FELONY PLEA

Former governor fined \$1,000, and gets no jail time

BY DAVID N. BASS
Associate Editor

RALEIGH

Mike Easley became the first governor in North Carolina history to be convicted of a felony connected to his conduct in public office Nov. 23, when prosecutors and Easley's attorneys reached a plea deal on state charges.

Appearing relaxed and confident, the former two-term Democratic governor and attorney general entered an Alford Plea — under which Easley maintained his innocence while conceding that prosecutors might have enough evidence to get a jury conviction.

At a Wake County courthouse hearing, state and federal prosecutors agreed to drop their case against Easley when he pleaded guilty to a Class



Former Gov. Mike Easley, flanked by His attorneys Joseph B. Cheshire V (left) and Brad Bannon (behind Easley), enters a guilty plea in front Wake County Superior Court Judge Osmond Smith, thus becoming the first governor in North Carolina history to be convicted of a felony for actions that occurred in office. (CJ photo by Don Carrington)

I felony for violating campaign finance laws.

A Class I felony carries a sentence of up to 15 months in prison, but Easley got no jail time because he had no criminal record. Prosecutors agreed to a penalty of a \$1,000 fine plus court costs. Wake County Superior Court Judge Osmond Smith approved the deal.

As a convicted felon, Easley won't be able to own guns, and he could have his law license revoked.

"Our campaigns over the years have made financial errors," Easley

said at the hearing. "We've tried to correct them as much as we could.

However, as a candidate, I have to take responsibility for what the campaign does. The buck has to stop somewhere. It stops with me. I take responsibility in this instance."

The decision ends lengthy state and federal probes into Easley's conduct in office, based on reports from various media outlets. *Carolina Journal* reported, among other things, that Easley received free flights



Judge Osmond Smith accepts Easley's plea

Media reports drove Easley investigation

BY DON CARRINGTON
Executive Editor

RALEIGH

State and federal prosecutors have acknowledged to *Carolina Journal* that their decision to open a corruption investigation often stems from a news story suggesting improper behavior or criminality by public officials.

"The case [against former Gov. Mike Easley] began after credible allegations of misconduct were presented in the news media," U.S. Attorney



U.S. Attorney George Holding

George Holding told *CJ*. "Without investigative journalists here in the capital, much misconduct would not have come to light."

Holding said the federal probe of Easley — the first North Carolina governor convicted of a felony for official actions during his time in office — officially began in February 2009.

What follows is a chronology of the news stories *CJ* and other media outlets published recounting many of the events that were cited in the Easley criminal investigations by the State Board of Elections, Rowan County District Attorney William Kenerly, and Holding.

- March 2006: "Easley Didn't Disclose Relationship Before Marina Vote" — a *CJ* story

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GOP Leaders Predict Fiscal Pain for N.C. Budget

By DAVID N. BASS
Associate Editor

After a century of Democratic Party rule, Tar Heel State voters were in the mood for a change Nov. 2, giving Republicans control of the General Assembly for the first time since 1898. It's a historic opportunity for the GOP, but one tinged with apprehension due to an estimated \$3.2 billion state budget shortfall next year.

The legislature's longtime Democratic leadership bypassed the fiscal pain during this year's short session by passing a \$20.6 billion spending plan that relied partly on an extension of federal stimulus funds and more than \$1 billion in temporary tax hikes. In 2011, the new GOP majority won't have that luxury.

Legislative leaders expect cuts to every part of state government — without raising taxes. Even reductions to core services, such as transportation and public safety, will be in play. To accomplish its goals, the GOP will have a 31-19 majority in the Senate and a 68-52 majority in the House.

"If we're going to do this right, then we can't create artificial boundaries, things that can't be on the table," said state Rep. Thom Tillis of Mecklenburg County, who was nominated by the GOP caucus to be the next speaker of the House. "We've got to look far beyond where past legislatures have looked to try and balance the budget and get to a more fiscally sound baseline," he said.

That means bureaucracies will have to be slashed, Tillis said. "We've got to look at the nine governmental organizations that are receiving funding and find out how much of that is core versus something that we're not able to afford right now," he said.

Already, university-system leaders anticipate tuition hikes and potential closure of one of the 16 campuses in the system. Democratic Gov. Bev Perdue has shied away from tax increases, instead asking each cabinet-level agency to submit plans for 5 percent, 10 percent, and 15 percent cuts to their budgets.

Republican leaders say that tax hikes are off the table. "That will be a real challenge, and we have to do it because we've got to get our tax rates competitive," said Republican Majority Leader-designate Paul Stam of Wake County.

Tillis' expected counterpart in the Senate, president pro tem-designate Phil Berger of Eden, said the GOP plans to let the temporary taxes expire. That promise was part of Republicans' 10-point agenda released in September.

"One of the messages that the voters sent loud and clear was that we've got this problem not because the state taxes too little, but because the state spends too much," Berger said. "I don't know of anyone who's out there in an elected position who's advocated that we need to raise taxes."

Stam said the incoming Republicans have heard voters in their distaste for excessive spending. "They want us to live within our means. They want us to be frugal," he said.

On the chopping block

In addition to cuts to bureaucracies, budget experts say that lawmakers will have to cut loose some state em-

ployees.

"When looking at areas to cut spending, the unavoidable reality is that roughly 70 percent of the state budget is dedicated to salary and benefits of state employees," said Brian Balfour, budget and tax policy analyst for the conservative Civitas Institute.

"I wouldn't be surprised to see lawmakers consider furloughs, eliminating positions, and cost-sharing for health insurance and pensions," he said.

Public education is another category lawmakers plan to trim. Combined with health and human services funding, it makes up 80 percent of the state budget. Even so, GOP leaders are signaling that they don't want to cut teachers out of negotiations.

"We need to bring teachers to the table," Tillis said. "Not the [N.C. Association of Educators], incidentally, but teachers to figure out how we get smarter about the way we do our budget decisions there."

Squabbles on the horizon?



Republican Majority Leader-designate Paul Stam of Wake County says dealing with the state's budget will be a challenge. (CJ photo by Don Carrington)

The day after the election, Perdue issued a statement saying she looked forward to working with the GOP in shoring up the state's fiscal situation. But it might not be that simple, because Republicans have a veto-proof majority in the Senate and near-veto-proof majority in the House.

"It's perilously close for her to being veto-proof," said N.C. State University political science professor Andrew Taylor.

The North Carolina Constitution requires Perdue to propose her budget first. Then the General Assembly gets a crack

at it.

Taylor said that Perdue could benefit from having Republicans as a foil. But in light of her poor polling numbers, she'll need to invigorate her standing with the electorate as the 2012 election season gets underway.

"If she doesn't do it quickly, there could be a [primary] challenge within the party," he said.

Nonbudget priorities

Although budget deliberations will dominate lawmakers' attention next session, legislation blocked by Democrats in the past is likely to get a hearing, including bills to lift the cap on charter schools, exempt North Carolina from new federal health insurance mandates, and require a valid ID to vote.

At least two proposed constitutional amendments will be on the agenda as well — one to prevent the government from taking private property for economic development purposes, the other to define marriage as the union of one man and one woman.

Redistricting is another task ripe for partisan bickering. Each decade, state legislatures are required to redraw district lines to reflect population shifts documented in the census. Republicans will have total control over the process next year because North Carolina is one of five states that doesn't give its governor veto power over redistricting plans. CJ

Seventy percent of the state's budget is made up of salaries and benefits

Associate editor Anthony Greco contributed reporting to this story.

Few Details Available of What's to Be Cut in UNC System Budget

BY AMANDA VUKE
Editorial Intern

RALEIGH

Is the University of North Carolina system really going to shut down one of its 16 campuses? Outgoing UNC President Erskine Bowles raised the possibility at his final Board of Governors meeting in November.

His statement not only drew headlines, it may also have focused policymakers on some of the unpleasant alternatives the General Assembly will face as it considers ways to cut the \$2.7 billion university system budget.

Joni Worthington, a UNC system spokeswoman for Bowles, said the outgoing president's "comment about closing a campus was simply a comment, not a proposal. [It is] something that would only have to be considered if cuts needed to be made in the 20- to 30-percent [range]."

Bowles, in fact, asked campuses to come up with proposals for cuts of between 5 percent and 10 percent. The hope, Worthington said, was that if the UNC institutions suggested cuts on their own, the 2011 General Assembly might provide the flexibility to implement them.

"There is no cookie-cutter approach" across the campuses, though, as each school has a different mission and different capstone programs, she said. It's up to each school to determine "what programs are central to their mission and [then they must] be strategic about their cuts to do the least long-term damage."

To be sure, Gov. Bev Perdue will have much to say about her priorities when she releases her budget in the coming year. But the General Assembly has the final say on spending, and the newly elected Republican majority



Will signs like this become a reality for the revenue-starved university system? Statements by UNC President Erskine Bowles have focused the attention of legislators on the problems facing universities. (CJ photo illustration)

has provided scant details so far.

Sen. Richard Stevens, R-Wake, who currently serves on both the Appropriations Committee for Higher Education and the Higher Education Committee, said that the General Assembly has made "no decisions yet concerning the budget. Everything is on the table, [but] it is very premature to be talking about any specifics right now."

In part, members are hesitant to make specific recommendations before they take office in January. At that time, the speaker of the House and the Senate president pro tem must be elected. After those elections, committees will be appointed, at which point specifics can be discussed, Stevens added.

Rep. Thom Tillis, a Mecklenburg County Republican and nominee for speaker of the House, told *Carolina Journal* that it's "promising that Mr. Bowles took the time to find areas where they know they've got to tighten up, because everyone else is. That's a good first step."

"There's probably not a part of the budget that would be untouched by necessary reductions," said Sen. Phil Berger of Eden, who was nominated by Republicans to become the Senate president pro tem. "I think President Bowles has done a good job over the past several years in squeezing out some administrative savings in the universities. That doesn't mean that we're not going to look [at the universities], because we're probably going to have to find savings in all parts of the budget."

Even so, Rep. Marilyn Avila, R-Wake, said at a Nov. 15 John Locke Foundation luncheon address, "We are not going to decimate the university system, which seems to be a fear that is residing with everyone now."

Worthington said cuts at 10 percent would reduce "the number of personnel employed [by 1,700 jobs], the programs offered, class size, available academic and support services, and library hours," though how that plays out on each campus would differ.

The campuses and Board of Governors are looking at alternatives, including a tuition increase. Recently, UNC-Chapel Hill's Board of Trustees OK'd the maximum tuition increase allowed — 6.5 percent. The Board of Governors still has to give its stamp of approval.

Tuition increases also are being considered at other institutions, Worthington said, "especially if state

funds are cut." She did note that there is a "question about whether campuses could retain [the] extra revenue, or if it would go to the General Fund." The Board of Governors hopes the campuses could keep the additional money.

Other options could include increasing the tuition differentials between campuses, so that the flagship institutions — UNC-Chapel Hill and North Carolina State University — could generate additional money by charging even more than other UNC schools. That has not been discussed.

The plan, adopted by the board, retains the 6.5 percent cap on tuition increases for in-state, undergraduate students. Out-of-state students and graduate-level students could be charged more, Worthington said.

Nor has there been any discussion of lifting or adjusting the 18 percent enrollment cap on out-of-state freshman students — whose costs of attending the universities are not meant to be subsidized by state taxpayers. Enrolling more out-of-state students could ease the drain on the state's coffers.

Six higher education campuses in the UNC system graduate less than a fifth of their student population in a traditional four-year cycle. Seven schools fail to graduate half of their students in six years. When asked if there was any consideration about tying incentives to graduation rates instead of enrollment for the campuses, Worthington did not directly answer the question. Instead, she said, "The Board [of Governors has] clearly signaled they wanted enrollment tied to retention."

Jay Schalin, senior writer for the John William Pope Center for Higher Education, says UNC's long-term budget expansion "is driven mainly by enrollment growth. ... The system seems to be planning on a large increase in enrollment this year, since it's asking the legislature for a whopping \$55 million to handle the growth." There is a plan, he said, to tie enrollment growth to performance, but this "will do little" to stop the expansion.

Schalin says money could be saved by tying "need-based aid to academic qualifications, so that low-income students who proved themselves in high school or the community colleges get all the money they need, but low-income students who lack reasonable academic credentials only qualify for enough aid to go to the community colleges."

This way, "nobody is denied access to some form of higher education." If the state adopted this kind of a system, Schalin said, "the state could easily save at least \$50 million the first year and much more in subsequent years." CJ

Associate Editor David N. Bass contributed research to this report.

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Stream Reclassification Proposal Irks Transylvania Residents

BY KAREN WELSH
Contributor

BREVARD
Approximately 200 residents owning property bordering 5,800 acres of the Boylston Creek watershed in Brevard are upset about the impending reclassification of the water tributaries that run through their properties from Class C to Class C Trout status.

"The situation has met with opposition from the property owners," said Transylvania County Manager Artie Wilson. "It's a major concern, and it's very frustrating to our residents and our local government. Our residents already take good care of the streams. There is no degradation in our waters. We've got great water, and we're very proud of that. Further restrictions on our streams vastly impact a large majority of our properties, and it puts an undue burden on our citizens."

If the reclassification occurs, these residents will have to provide an undisturbed buffer zone of 25 feet along any portion of a stream, creek, or significant area of runoff leading into the French Broad River.

Water must be fish-friendly

The move, stemming from the state's Division of Land Resources, a branch of the Department of Environment and Natural Resources, resulted from the government's desire to keep the waterways pristine and friendly to the brook trout fish, but that has the human population going against the flow.

A lawsuit, county resolution, and General Assembly bill effectively have delayed the plan. Some of the affected locals even have threatened to shoot any government officials found trespassing on their private property to test the water.

Wilson said the county got involved because it was the right thing to do. "About 50 percent of our land is already in public use because of state and national parks," he said. "There is already very limited growth potential on our properties to build something on their land, and when the DENR tells us what we can and cannot do, it becomes a problem and an infringement on their rights."

Longtime residents oppose

Resident Don Surrette owns more than nine acres abutting the stream and has spent many hours fighting the reclassification. Surrette said his family has lived on the land for more than 100 years and always has taken care of the streams.

"My people came into these mountains centuries ago," he said. "I believe I am required by my Creator to take care of the land. It is my duty.



Transylvania County resident Don Surrette shows erosion along the bed of Boylston Creek. (CJ photo by Karen Welsh)

I drink from gravity-fed water from a spring that's been in existence more than 100 years. It's the sole source of my water. If anyone says I don't want to take care of the water, they're crazy."

He said there was never an issue until a developer wanted to build a 20-acre lake nearby. Without anyone's knowledge, the U.S. Army Corp of Engineers and the DLR got involved. Residents living in the area heard about the impending reclassification when DENR called for a public meeting. By then it was almost too late for the locals to intervene.

Surrette said the rules and regulations of the Class C Trout classification are restrictive, cumbersome, and vague. He said many home and property owners fear the devaluation of their land, the requirement of heavy fees for permits to control silt buildup and other usage, and the threat of fines of \$5,000 per day if they are found in

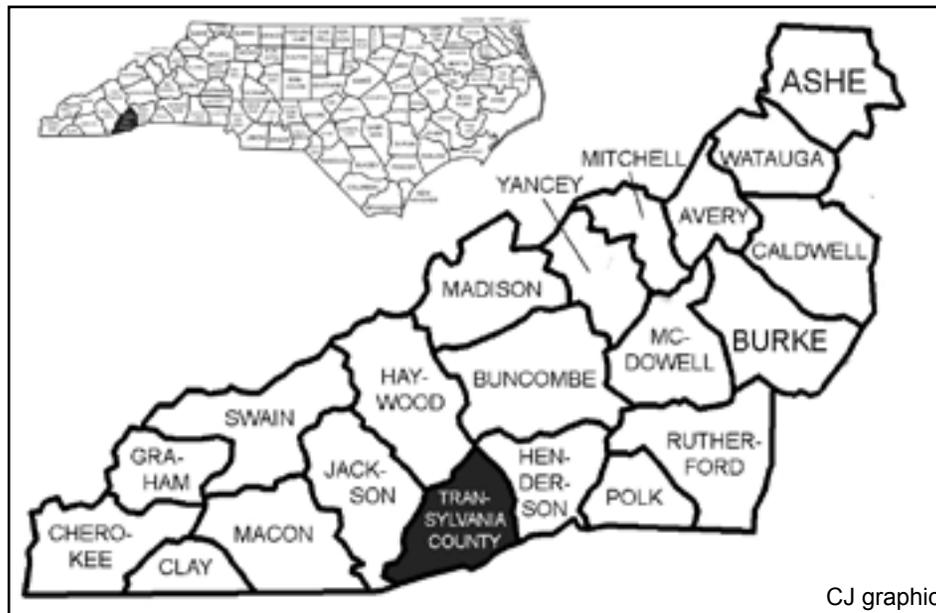
violation of the rules.

People 'don't trust DENR'

"These are issues that people are upset about," he said. "They don't trust DENR. They've given us plenty of reason not to. They have an out for anything we do on our property.

"It's not their property," he added. "It's a private property issue. Mandating the use of private property without justification and without compensation is wrong. Everywhere I turn on my property, I'm in the buffer zone. There's a spring-fed trout pond directly in the back of my house, and there are natural springs all around here.

Change is
an effort to keep
state streams
friendly to
brook trout



CJ graphic

That's very typical of this watershed." Surrette is worried he won't be able to rebuild his home if something happens to it because it sits too close to the stream.

He also is concerned about planting the rare American chestnut trees he's been crossbreeding with heartier varieties to help save the species from blight.

"Technically I cannot continue my work if the land is in the buffer zone," he said. "What can I do then?"

Trout reproduction

DLR Public Information Officer Susan Massengale said her division is moving forward with the Class C Trout classification because the agency wants to sustain reproduction of the trout for generations to come.

"We certainly respect that people have taken care of the water, but with the development in the state the reclassification will help prevent damage from happening in the streams," she said. "The people there may be wonderful stewards, but there is development happening, and it's easier to keep an area clean than to clean it up."

Massengale said her department is at fault for not exchanging information in a timely manner. She also said DLR needs to do a better job educating people about what can happen when there is a reclassification.

"There's been a lot of misunderstanding, and that breeds fear," she said. "We need to improve our ability to get our education out there. That is a challenge for us. We are really trying to improve that so people have no fear of things that won't occur. I hope that as people work with DLR that they will realize there is a lot that can be done. There is some room for doing activities in that area."

Wilson said he is glad DENR and its divisions are open to looking at the process and hopes everyone can come to an agreement and use some common sense.

"I hope the DENR will stop and rethink this," he said. "I hope they make it both reasonable for all and a reasonable process. We have to look at humanity versus fish or animals. We can be optimistic and hope there will be a favorable outcome to this."

Surrette is hoping they will sit down and have a civil discussion.

"There's got to be a better way to do this," he said. "We need to work out an agreement that most people would agree to. After all, we should all be taking care of our natural resources, but we should do it together." CJ

Hoyle Says Law Requires State to Hang Onto 7,000 Tax Refunds

By MITCH KOKAI
Associate Editor

RALEIGH
The N.C. Department of Revenue says it will need new legislation from the General Assembly before it can send out the final tax refunds linked to a controversy that hit the headlines last summer.

A top Democratic senator blamed Revenue staff for causing the controversy in the first place.

"There are about 7,000 of those refunds worth \$2.3 million waiting for legislative action by the General Assembly to allow us to send them out," said David Hoyle, recently appointed as state Revenue secretary, during a November presentation to the legislature's Revenue Laws Study Committee. "We will send those just as soon as the law allows. By the way, they will be accruing interest at 5 percent. That's a whole lot more than you can get from a bank."

"When we do send these 7,000 out, that will clear up all of our individual returns that remain to be reviewed," said Hoyle, who joined the Revenue Department after serving 18 years as a Democratic state senator from Gaston County. Hoyle had co-chaired the Revenue Laws committee before taking the new job. "A total of \$20 million in individual income [tax] refunds have already gone out the door during this process."

Thousands unresolved

The review Hoyle mentioned stirred up controversy in August, when *The News & Observer* reported that a backlog of 230,000 unresolved tax returns from as far back as 1994 had led to an internal Revenue Department

debate about whether some of those returns included refunds that never would be repaid.

The controversy surrounded the department's interpretation of when Revenue officials knew that a tax refund was owed. Each of the unresolved returns

— Hoyle reported a figure of 240,000 during the meeting — had been flagged by the department's computers.

Requires manual review

Each flagged return requires a manual review from a Revenue Department staffer. For years, the department had considered the computer action as the trigger that designates that a tax refund has been "discovered."

But the summer newspaper reports showed Revenue officials debated whether the discovery should be tied to the computer's flagging of a return or to a Revenue staffer's manual review. If the department chose option No. 2, any return reviewed more than three years after the filing period would fall outside the statute of limitations. Taxpayers would be paid no refunds.

Three days after the initial newspaper report highlighting this debate, Gov. Bev Perdue promised that the backlog would be cleared and that



any taxpayer owed money would receive a refund — regardless of the time delay between the return's filing and the resolution of the case.

More than a month later, the Revenue Department released a document contending that lawyers

for Perdue and for N.C. Attorney General Roy Cooper had signed off on the policy change. When Perdue and then-Revenue Secretary Kenneth Lay offered reporters different stories about the details of the policy debate, Lay ended up resigning.

"To my knowledge and to the knowledge of those in the department — we have searched — we have had no written or longstanding policy regarding refunds that are out of statute [beyond the statute of limitations]," Hoyle told lawmakers. "In actuality, I think a few of our administrative staff had a longstanding practice — their way of doing things. That practice was not used universally among the entire agency. And that's probably one of the problems we've got here today. There was inconsistency among different divisions within the agency. It was not a policy change."

Hoyle won praise from several lawmakers for his efforts to resolve the controversy, but one singled out unnamed Revenue Department staff for criticism.

Policy 'is just a dodge'

"To be honest about it, calling something a practice rather than a policy is just a dodge — I mean, they're the same thing," said Sen. Dan Clodfelter, D-Mecklenburg, who co-chaired the Revenue Laws Study Committee with Hoyle until Hoyle took the Revenue job. "A practice that is honored over decades and decades and decades is a policy."

"[This] is a sudden flip in longstanding policy and practice that catches taxpayers unaware and without notice," Clodfelter continued. "That's the issue for the General Assembly to have to deal with."

The Revenue Department decided in October 2009 to reverse the policy of considering a tax refund to be discovered once the computer flagged the tax return, Clodfelter said. "This problem really was created by an internal decision by the department that the way they would manage the backlog ... was by simply flushing these returns out and just canceling them and saying they were out of statute. That was not a responsible action."

Part of a pattern

Clodfelter raised a more general concern about the Revenue Department. "What concerns me most about this issue is that it is not an isolated situation," he said. "It is part of another practice and a pattern that has developed in the department over recent years under a number of secretaries — not any one individual, and therefore I don't think it's been the secretary-driven policy — but it has been a policy and practice of sudden changes in longstanding ways of doing business without any statutory compulsion to do so, that catch taxpayers short, that create confusion, and always mean

that it lands back in this body's lap for us to have to fix the problem. That's not stable tax administration."

Another lawmaker, Rep. Larry Womble, D-Forsyth, questioned the need to have any statute of limitations

for taxpayers to collect refunds when the Revenue Department caused the delay in the first place.

While Hoyle promised to resolve the current backlog by Dec. 22, he contended there's "not an easy fix" for the problem that created the backlog in the first place.

The backlog resulted from the fact that Revenue Department computers flag hundreds of thousands of returns each year, Hoyle said. That includes 910,000 returns in 2009 alone. "One out of every 10 tax returns that was filed would be required to be worked by a live person," he said. "The department worked 898,000 of these 910,000 items in that year. Can you imagine how time-consuming and costly it is to have employees review each of these cases? It costs the state millions and millions of dollars each year."

Hoyle labeled the number of computer-flagged returns a "tsunami" that will require additional staffing in the years ahead. He suggested that restoring more than 300 department positions cut and frozen in recent years would help prevent future problems with tax-return backlogs. CJ

Hoyle says
'tsunami' of
flagged returns
will require
extra personnel

Share your CJ

Finished reading all the great articles in this month's *Carolina Journal*? Don't just throw it in the recycling bin, pass it along to a friend or neighbor, and ask them to do the same.

Thanks.



N.C.'s Republican Congressional Delegation Poised to Gain Clout

BY KAREN McMAHAN
Contributor

RALEIGH Although the Tar Heel State bucked the national trend in the midterm elections, seeing the defeat of only one incumbent House Democrat, North Carolina lawmakers stand to gain clout as the GOP takes control of the House of Representatives in the 112th Congress.

Between the 60-plus seats Republicans picked up in the House and the six they gained in the Senate, upcoming changes in committee and subcommittee leadership should boost the state's influence.

During the first week of Congress' lame-duck session, both Republicans and Democrats selected party leaders. Republicans plan to select committee and subcommittee assignments before the end of the year, but sources tell *Carolina Journal* that Democrats may wait until the new Congress convenes in January before making their decisions.

North Carolina newcomer

Republican newcomer Renee Ellmers' narrow defeat of incumbent Bob Etheridge in the contest for U.S. House District 2 signaled the only turnover in the state's congressional delegation. Etheridge currently serves on both the Budget Committee and the Ways and Means Committee. Republicans will have more representation on these two influential panels because of their majority.

With a handful of seats still undecided, some committee roles may yet change hands in favor of North Carolina Republican lawmakers. Incumbent Alaska Sen. Lisa Murkowski, who ran a write-in campaign against Tea Party-backed Republican Joe Miller, has a narrow lead. But Miller has filed a lawsuit to prevent elections officials from certifying the results and has asked for a recount, citing legal issues regarding write-in ballots.

Murkowski is the ranking member of the Senate Energy and Natural Resources Committee, and because Murkowski ran against the Republican nominee, pundits have speculated that Sen. Richard Burr might challenge her for that position. Press Secretary David Ward told *CJ* that Burr believes it's premature to discuss the leadership post since the Alaska race has yet to be settled.

Millions of political beginners

Leading up to the 2010 midterm elections, millions of individuals who never had been actively involved in politics were making phone calls, visiting members of Congress, attending rallies, and volunteering with grassroots organizations to oust those they felt were most responsible for the na-

tion's economic woes. Newly elected and incumbent lawmakers are finding that these voters intend to stay involved by applying pressure to ensure lawmakers are living up to their promises.

Spokesmen for several members of North Carolina's U.S. House delegation confirmed to *CJ* that voters already have begun contacting them on high priorities, from extending the Bush tax cuts, repealing the federal health care law, and cutting government spending to reining in burdensome, unnecessary government regulations. Voters are making it clear they want economic growth and job creation, rather than more corporate bailouts and stimulus spending.

North Carolina's incumbent Republican representatives stand to benefit by virtue of their seniority, new majority status, and the normal turnover from committee term limits. House Democrats who now chair a committee or subcommittee automatically will become the ranking member, and the current Republican ranking member mostly likely will become chair. Most committees comprise roughly a 2:1 ratio of majority to minority members, so Republicans inevitably will gain positions.

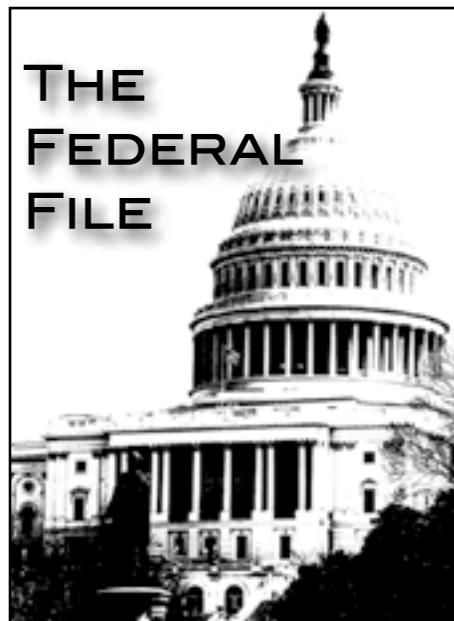
The House Rules Committee, with a supermajority, is one of the most important because its members decide how House business is conducted. When Nancy Pelosi became speaker of the House, she and fellow Democrats changed a longstanding rule involving amendments so they could prevent minority Republicans from having any substantive input into legislation before it came up for a full vote in the House.

Democrats and President Obama promised a new era of bipartisanship and transparency, but this rule change blocked Republicans, leaving many Americans feeling that lawmakers were making deals behind closed doors that silenced them.

Opening the process

Fifth District Rep. Virginia Foxx currently serves on the Rules Committee. Spokesman Aaron Groen said a top priority for Republicans will be once again to open up the amendment process, allowing Democratic participation while making the process more transparent and accountable to voters.

Sixth District Rep. Howard Coble is the ranking member of the House Subcommittee on Courts and Competition Policy. For six years, Coble chaired the House Subcommittee on



the Courts, Internet, and Intellectual Property until Democrats took control of the House in 2006 and moved intellectual property under the jurisdiction of the full House committee.

This change hindered business and economic growth, said a Coble spokesman, "because now it takes years for patents and copyrights to move through the approval process. Democrats also decided to place fees from patent

and other intellectual property applications into the general Treasury rather than using them to support the U.S. Patent Office. We aim to change [that] so as to speed up the process and get business moving again to create jobs."

Congressional offices already hearing from constituents on key issues

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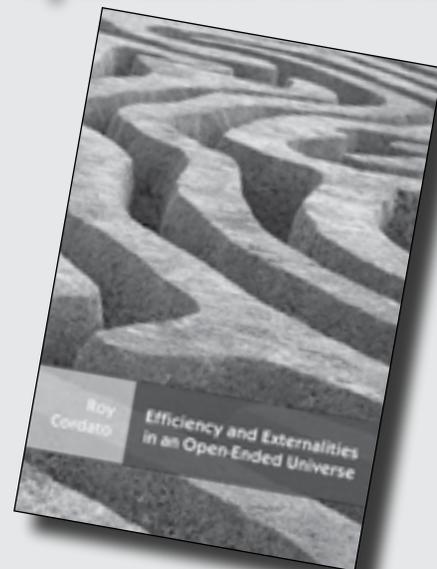
By Roy Cordato
Vice President for Research
John Locke Foundation

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Efficiency and Externalities in an Open-Ended Universe



Rumors persist that 9th District Rep. Sue Myrick may gain a leadership role connected with Homeland Security, but spokeswoman Taylor Stanford could not confirm that.

Tenth District Rep. Patrick McHenry, now the ranking member on the House Oversight Committee's Information Policy, Census, and National Archives Subcommittee, may land a chairmanship of one of Oversight's subcommittees. Press Secretary Michael Babyak said McHenry likely will continue to serve on the Oversight, Government Reform, and Financial Services committees.

A number of Democrats, including 4th District Rep. David Price and 7th District Rep. Mike McIntyre, will surrender the chairmanship of subcommittees, but as ranking members they will nonetheless maintain significant influence.

IRA's and 401(k)'s

Along with other committee assignments, both North Carolina senators, Democrat Kay Hagan and Republican Richard Burr, currently serve on the Senate Health, Education, Labor, and Pensions Committee. A key issue under this committee's jurisdiction that has received increased attention is pension reform, including 401(k) and IRA accounts.

Lawmakers in the Senate and House have been examining retirement security and discussing the possibility of supplanting private investment vehicles with some type of mandatory, government-managed retirement system that would favor automatic IRAs, forced annuitization, or Government Retirement Accounts and would function similar to the Social Security payroll deduction system but would not replace it. *CJ*

Youth Giving Network Pushes Charity of the Corporate Variety

By HAL YOUNG
Contributor

Like many programs aimed at high schoolers, the conference at Raleigh's Crabtree Marriott featured loud music, chanting and cheers, graffiti-themed decorations, and lots of energy. The logo featured a fist brandishing a microphone over an urban skyline. "Let your voices be heard!" was a major subtext; everyone received a megaphone and a pair of earbuds as souvenirs.

The topic? Charity.

The November event was the fifth annual summit hosted by the N.C. Youth Giving Network, a loose association of 19 local groups that seek to involve young people in charitable work. Local "sites" (as they are called) have a variety of sponsors, ranging from county services agencies and community foundations to a YMCA and a charter school.

"The intent of the summit is to give young people a real lens to what youth giving is about," said Eric Rowles, director of NCYGN. Organizers encouraged the 225 students to consider themselves "change makers."

"This is not about today but about every day after," challenged one speaker. "It's not about lights, games, flash, and hype, and we go home and do nothing."

The idea of young people contributing "time, talents, and treasure" to charitable causes is well-established in churches, scouting, and other community programs. The youth philanthropy movement, though, goes beyond traditional teen volunteer programs, urging teens to seek out major corporate donations and government-funded grants.

The summit's workshops, for example, focused on public relations, committee processes, and grant-writing activities designed to channel money from large donors to smaller agencies and projects.

Once a local site is established, its operating costs are significant. NCYGN gives a typical site budget of \$12,000 to \$20,000, out of which more than \$10,000 goes for program administration and facilitation. That figure goes higher if the staff is paid for its time; many adults donate the hours. By its own numbers, the philanthropy

program itself consumes between 75 and 90 percent of the funding to distribute \$1,500 to \$5,000 in grants. In exchange, the participants learn "program planning, meeting facilitation, organizational culture ... and group/team dynamics," all part of the "21st century leadership skills" that characterize the youth philanthropy model.

They're training high schoolers to be grantmakers, according to Rowles. NCYGN's programs are facilitated by Leading to Change, a Charlotte consulting firm headed by Rowles. Local donors entrust teenagers with a pool of grant-making dollars, and the program teaches them how to write Requests for Proposals, market the availability of funds, and then select recipients from the RFPs they receive.

Participants are encouraged to learn about needs within their community and adopt one or more as their own project. Most are related to young people's concerns.

"The purpose of this is 'youth giving to youth,'" said Mary Jane Akerman, a facilitator with LTC in Thomasville. "They know the youth issues in the community."

Recent projects gave free music lessons to underprivileged youth, built backstage equipment for a youth theater program, and provided prom dresses for low-income girls.

But much of the youth giving activity centers on the operation of nonprofit organizations. Monthly meetings teach students the cycle of corporate and government charitable funding. The program's calendar includes workshops on how to approach individual donors or request grants from a business or agency; the most effective ways to publicize funding opportunities to other charities; and the evaluation process for grant requests submitted to the youth programs in their turn.

This cycle of donor money passing from charity to charity was evident at the conference. Rowles introduced representatives of Triangle Family Services, sponsors of the newest site. TFS' financial director, Betsy Levitas, said it planned to add the youth philanthropy project into its existing teen financial management program at Wake Tech. TFS had just received funding from an out-of-state bank.

"I just went 'dialing for dollars' until I found one," she said. *CJ*



Group's website touts service hours of North Carolina youth.

COMMENTARY

ACTing Out

Earlier this year, state education officials proposed using the ACT college admissions test to measure the "postsecondary readiness" of 11th-grade students statewide.

Last month, however, State Board of Education Chairman Bill Harrison surprised many by tabling the idea. Harrison suggested that the board would need to obtain legislative approval before formally approving its use, but the General Assembly is the least of the board's concerns. There is more to this issue than meets the eye.

The ACT and the SAT are the two primary tests used by colleges in the admissions process, although most college-bound North Carolinians prefer the SAT. Only 16 percent of graduates from North Carolina high schools took the ACT last year, the fourth-lowest percentage in the nation. If adopted, North Carolina would become the ninth state to give the ACT to nearly all graduates.

Every year, the N.C. Department of Public Instruction spends millions to create, administer, and analyze existing state tests under the ABCs of Public Education accountability program. During the 2008-09 school year, for example, our public schools spent over \$22 million on student testing services. In addition, education department staff just spent four years and millions of taxpayer dollars to revise the core curriculum and testing program under the Accountability and Curriculum Reform Effort, or ACRE.

According to DPI staff, implementation of the ACT tests and an academic "boot camp" for poor performing students would cost an extra \$20 million a year. Perhaps someone forgot to tell our state education agency that the state has a \$3.2 billion budget deficit.

I speculate that state officials also are reconsidering the statewide administration of the ACT because it would give North Carolinians a rare opportunity to make annual state-by-state comparisons. Currently, DPI develops all of North Carolina's standardized tests in-house, a scheme that makes it impossible for parents and concerned citizens to compare our test results with those

from other states.

In fact, critics of the state testing program should support a wholesale replacement of our state assessments with one or more national tests like the ACT. Results from the ACT would show that, by comparison, North Carolina's homegrown tests are mediocre, at best. More importantly, it may indicate that many of our students cannot compete with their counterparts from other states. We also

may be able to compare public school students from North Carolina with students from foreign countries who take the ACT to gain admission to a college or university in the United States.

Overall, tests like the ACT may be an even better indicator of student performance than the excellent National Assessment of Educational Progress, federal reading and mathematics assessments taken by a representative sample of elementary and middle-school students every two years.

Of course, North Carolinians should be concerned about the state's decision to adopt the ACT test without exploring the market for alternatives. I have yet to find out whether the ACT expenditure would be subject to competitive bidding laws, but I am confident that other testing companies have asked state education leaders to examine similar testing products. Perhaps DPI and the State Board of Education would make a radical discovery — the free market could deliver a superior product at a lower price.

Teachers and administrators often complain that the state subjects children to an excessive battery of high-stakes tests. The ACT would exacerbate that burden at a time when many college-bound high school students are preparing to take SAT and Advanced Placement tests. Besides, if public school officials discover that an 11th-grade student does not possess "postsecondary readiness," it is too late in his educational career to do anything about it. *CJ*

Terry Stoops is director of education studies at the John Locke Foundation.



TERRY STOOPS

Sugar Creek Charter Hits Sweet Spot With Students

BY KAREN WELSH
Contributor

CHARLOTTE

At first glance, it's hard to tell Sugar Creek Charter School in Charlotte is in session or that it even exists at all. It's the bevy of large, bright yellow school buses that give it away.

Located in the confines of a non-descript former K-Mart store in an old strip shopping center, this unique charter school has renovated the large former retail space into a successful inner-city learning environment serving 675 disadvantaged students, 99 percent of African-American heritage, in grades K-8.

The high level of intellectual activity and engagement at the campus may seem out of place, since 90 percent of the students live in poverty and receive a free or reduced-price lunch.

But leaders of the groundbreaking school, with a motto, "Where strong minds and strong character are valued and nurtured," urge students to reach those goals every day.

The proof is in the results. Sugar Creek Charter School has a proficiency rating well above the state average, scoring a 73.2 performance composite in the latest annual ABC report.

CEO/Director Cheryl Turner said the school continually achieves because it is built upon two pillars. One is character education, and the other is academic.

"Social skills, manners, conflict resolution, drug prevention, national and community citizenship, outreach, community service, and refusal skills are a part of our formal curriculum," she said. "We can't make an assumption that the kids know the rules or the right behavior when they enter our school, because most of them don't. What we do teach them is a common value system here as we build team norms."

Making sure the first pillar was securely in place did not come easy. At first, the school leadership found there was a great chasm between students and teachers. Now all teachers, including substitutes, and the entire staff go through rigorous "Framework for Understanding Poverty" training and staff development.

"We figured out there was a mismatch between the teacher's perception of reality and our students' perception of reality," Turner said. "Although most of our teachers are African-American, they are from middle-class backgrounds, and our students are from poverty."

They found the students needed to know the adults cared about them as individuals. Once that was established, the children began performing in the classroom in order to make their teachers happy.



Students at Sugar Creek Charter School, who attend classes in a former K-Mart, are outperforming the state's average. (CJ photo by Karen Welsh)

Results were amazing

"We have developed a genuine community here," Turner said. "People trump programs every time."

On the academic level, every student is tested and placed according to his development on the date of initial enrollment. She said most of the kids arrive with an oral language deficit and need to be placed in fluid groups so they can receive individual instruction.

"We customize each class for our students," she said. "We have found targeted instruction, along with graphic and visual organizers, help our students do better. We teach higher-learning thinking skills. We have to have the mind-set that we can do this, that it can be done."

In addition, four curriculum specialists always are on hand to review lesson plans and help teachers make real-time instructional decisions and provide relevant resources.

Turner said each day of the extended 190-day school year is packed. The school day is also longer than the traditional public school schedule in order to support a 45-minute intervention block, which further enhances educational concepts the students are learning.

Sugar Creek Charter School recently received a \$400,000 grant for a three-hour after-school program targeting the lowest-performing students. The program uses hands-on projects and activities, including creating recipes for nutritional snacks, taking special field trips, and participating in recreation.

The school also has a rock climbing wall to help instill confidence, coordination, and thinking skills during activity periods.

Program Director Frank Martin said the 200 students in the after-school program entered with learning deficits and need additional support to apply what they have learned during the regular school day.

"If the child's not learning, then we're not teaching," he said. "We need to learn to do it better and more effectively. We use a lot of creative approaches that are working."

Each level of student achievement is celebrated openly. Students' work is posted on bulletin boards along the hallways.

Student Jaquita Moore, age 13, has attended the school during her entire academic career.

"I like the school," the seventh-

grader said. "There's a lot of education going on here, and it has taught me a lot. I've accomplished a lot from being here, and I'm glad I don't have to experience the violence in the [traditional] public schools. I don't think I would have learned as much there."

State Sen. Eddie Goodall, R-Union, president of the North Carolina Alliance for Public Charter Schools, notes that the new Republican majority in the General Assembly has made eliminating the state's cap on charter schools (now fixed at 100) a priority. Ending the cap would allow programs like those at Sugar Creek Charter School to be replicated throughout the state.

"This charter school has made all the difference in the world to the families that send their children there," he said. "It's taking a population of high risk, at-risk students and making them successful. It's a model school and can be replicated, but the charter system also gives each individual school the license to make modifications or use another learning system when they feel the need."

"That's the great thing about charter schools, they are not one-size-fits-all," he added. "They are all unique and individual in the community in which they serve."

Goodall vows to continue pushing for additional financing that would allow other quality charter schools to open throughout the state.

"A large segment of North Carolina has said they want more charter schools, and they demonstrated that on election night," he said. "We are going to create the infrastructure to get more charter schools off the ground." CJ

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New GOP Majority Ready to Tackle Charters, Other K-12 Issues

By JIM STEGALL
Contributor

RALEIGH

The new Republican majorities in the General Assembly plan some big changes in K-12 public education law and policy, and an education establishment that has long marched to the tune of Democratic priorities will have to learn a new step.

In an interview with *Carolina Journal*, presumptive Senate President Pro Tem Phil Berger of Eden laid out his top three priorities in K-12 education—removing the cap on charter schools, instituting merit pay for teachers, and enhancing career and technical education in high schools.

Merit pay

"I think it's important to put the best teachers where they are most needed," said Berger. Merit pay, which rewards the most effective teachers with bonuses, and differential pay (higher salaries for teachers who agree to work in hard-to-staff areas or who teach in fields with a shortage of instructors) are two measures often cited by education reformers as tools for attracting the right teacher to the right job. They also are controversial within the education establishment, especially with teacher unions.

Berger wants to see a merit pay plan based on student outcomes but would also like to see some changes to the way those outcomes are measured. "We need to go to nationally normed tests," he said, "rather than the DPI [Department of Public Instruction] developed tests the state currently uses" as part of its ABCs of education program. "I understand that some charter schools are using these in a very proactive fashion, and receiving instant feedback that is very useful," he said.



Republicans will hold power in both houses of the N.C. General Assembly for the first time since the 1890s. (CJ file photo)

Berger also was confident the cap of 100 charter schools statewide would be eliminated. Removing the cap was one of the 10 major points on the Republican agenda in the fall campaign. And unlike previous years, Berger is likely to find little opposition from the education establishment this time around.

The cap on charter schools

In separate interviews, Superintendent of Public Instruction June Atkinson and State Board of Education Chairman Bill Harrison seem resigned to the removal of the cap, though with some caveats. Atkinson stressed the need to have "appropriate accountability measures in place" once the cap is removed. Harrison said that he expected the cap to be removed, or at least modified, and said he's "not going to fight about it."

"It's better to focus on making

sure that we have replication of the very successful charter schools, rather than replication of those that are not performing," Harrison said.

Berger also pledged to "find ways to enhance career and technical education opportunities in secondary school." Citing the increased focus the education establishment has placed on preparing students for college, he said that career and technical education "has been de-emphasized too much."

Cutting overhead

Republicans campaigned on the need to cut bureaucracy and overhead from education while focusing resources on classroom instruction. Now that the GOP controls the legislative agenda, the party will look for ways to fulfill that pledge.

State education officials have seen this coming. Knowing that federal stimulus funds for education would run out this past summer, education leaders have been preparing for a steep drop-off in funding. At its November meeting, the State Board of Education approved one of the smallest budget requests in recent memory. Board chairman Harrison said that the board can't yet see what the outcome is going to be, but expressed some concern over further efforts to cut "the bureaucracy."

"Any central entity seems to be an automatic target," he said. Harrison acknowledged that "the real work of educating young people happens in the classroom," but added, "to think that it comes down to only a principal and a teacher without any central support, without any state support, to think that it can happen and happen well for all kids, I think is not really ex-

amining the overall picture and seeing what folks really do."

Atkinson said that officials in her department understand that "this is not a year when we could ask for additional dollars."

Using limited funds

For Atkinson and Harrison, how the limited funds will be used is paramount. "We've got a significant amount of federal dollars coming in" from the Obama administration's Race to the Top program, and "we need to make sure we spend the money the way we told the feds we're going to spend those dollars. It takes oversight to make sure that happens."

Perhaps with the Republican pledge to streamline government in mind, Atkinson said, "I would like for the General Assembly to take a really hard look at laws in education to define which ones are not really serving as well as they should."

She mentioned the school calendar law as an example of one that should be scrutinized. The law, forbidding local school districts from opening schools earlier than Aug. 25, or closing later than June 10, was pushed vigorously by the travel and tourism industry and often is cited as an example of overcentralized control that benefits some areas at the expense of others.

Student labor

Atkinson acknowledged that the law must be sensitive to the needs of businesses in the tourism industry, which depend on student labor. Even so, she asked, "Why shouldn't students in Watauga County have a longer break in January when the ski slopes are open?"

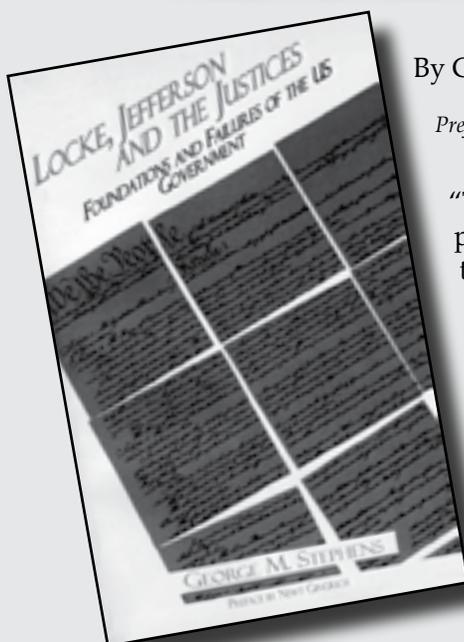
By far the biggest challenge the new Republican majority will face in the education arena is how to cut the education budget without laying off thousands of teachers. State revenues are expected to dip by about \$3.5 billion this

year, due to the recession, the expiration of some temporary tax increases, and the end of the federal stimulus program. K-12 education generally comprises about 35 percent of all state spending, and nearly 90 percent of that money is spent on personnel, primarily classroom teachers.

"Our goal is going to be to avoid adverse impacts in the classroom," Berger said. "To the extent that there are personnel that would be affected by reductions, it would be a priority for us that it not occur in the classroom." CJ

Locke, Jefferson and the Justices:

Foundations and Failures of the U.S. Government



By George M. Stephens

Preface by Newt Gingrich

"This book is about American politics and law; it is also about the roots of the Contract with America. A logical place to find the intent of the Founders is in Locke, [and] Stephens makes a contribution to highlighting this."

Newt Gingrich
Former Speaker
U.S. House
of Representatives

Algora Publishing, New York (www.algora.com)

How to cut
education without
laying off
teachers is the
biggest challenge

Town and County

Asheville: Shovel or else

Asheville business owners and residents could be fined this winter if they don't shovel snow and ice from their sidewalks. The move by the city comes despite its own failure to clear sidewalks in front of city buildings last winter, reports the *Asheville Citizen-Times*.

Under the ordinance passed unanimously by city council, residents and business owners face a \$50 fine per day up to a maximum of \$5,000 if they don't clear their sidewalks. Intentionally piling snow onto sidewalks would be a misdemeanor carrying a \$500 fine. In warmer months, the rules require that sidewalks be cleared of weeds.

The regulation responds to last winter's brutally cold, snowy weather, in which the snow accumulated for months. Many didn't clear their sidewalks, including the city.

"[E]ven though I really support this, I think we are on really thin ice if we don't set a model for a way we want these things to be maintained," said Councilman Cecil Bothwell.

Asheville Public Works Director Cathy Ball promised the city would do better in the future.

Fayetteville using DataDots

Fayetteville has the highest burglary rate of any of the state's major cities. Fayetteville police are turning to DataDots, a new technology, to combat the problem, reports the *Fayetteville Observer*.

In 2009, 4,289 burglaries were reported in Fayetteville. Many of the cases are unsolvable because there's no way to trace stolen items to their owners.

"Either I've got to have a hundred more detectives to go out there, which is not going to happen, or we need to come up with a different plan," said Lt. G.M. Urian, who oversees property crime investigations in west Fayetteville. "This is our next step into deterrence."

DataDots are tiny speckles of glue containing a microscopic chip. The dots are visible only under ultraviolet light. The chips are sold in matching pairs with each match of chips containing a unique serial number. Property owners attach the dots and register online.

DataDots have been used elsewhere to trace expensive goods like cars and laptop computers and more mundane items like signs, guardrails, and building supplies. CJ

Durham OKs Use of Mexican ID Card

By KRISTY BAILEY
Contributor

The Durham City Council voted 5-2 in late November to support its police department's use of the controversial Mexican matricula consular ID card, a form of identification issued by the Mexican Consulate but rejected as unreliable by 22 of 32 Mexican states.

No banks in Mexico recognize the card, said Hans von Spakovsky, a senior legal fellow at The Heritage Foundation and former counsel to the assistant attorney general for civil rights at the U.S. Department of Justice. That's because the Mexican Consulate does not verify applicants' identities before issuing a matricula consular ID, Spakovsky said.

Durham Mayor Pro Tem Cora Cole-McFadden, Mayor Bill Bell, and council members Diane Catotti, Michael Woodard, and Farad Ali voted for a resolution authorizing the police department to accept the card as a valid form of ID. Members Eugene Brown and Howard Clement III voted against the resolution, which states that "the Mexican matricula consular has been shown to be a highly secure form of identification, issued to Mexican citizens living in other countries."

"That's just fictional," Spakovsky said. "I don't know where in the world they could come up with the idea that they are reliable. They are not issued on a basis that is in any way reliable."

Durham Police Chief Jose Lopez told council members Nov. 15 that his department has been accepting the Mexican matricula consular ID (also known as the CID) throughout his three-year tenure. Lopez told the council the card will aid investigations, and that his officers use tools to detect fake matricula consular IDs.

"They have something they can put over the card to detect if it's valid or not," Brown told *Carolina Journal*. Approximately 1,200 police departments throughout the country have adopted this form of ID, Brown said.

FBI not enamored with card

Steve McCraw, former assistant director of the FBI's office of intelligence, testified before Congress in 2003 that the U.S. government had researched the Mexican consular ID program extensively and found no means of verifying the identity of the cardholder, rendering it unreliable and highly susceptible to fraud.

"The government of Mexico issues the card to anyone who can produce a Mexican birth certificate and one other form of identity, including documents of very low reliability," McCraw testified. "Mexican birth certificates are easy to forge, and they are a major item on the product list of the



Hispanic activist groups filled the City Council chamber in Durham on Nov. 15 as council members debated the use of the matricula consular. (Photo by Kristy Bailey)

fraudulent document trade currently flourishing across the country and around the world."

McCraw said the CID can be a breeder document for establishing a false identity. "It is our understanding that as many as 13 states currently accept the matricula consular for the purpose of obtaining a driver's license," he said. "Once in possession of a driver's license, a criminal is well on his way to using the false identity to facilitate a variety of crimes, from money laundering to check fraud. And, of course, the false identity serves to conceal a criminal who is already being sought by law enforcement."

The National Notary Association pointed out in a March 2009 report that the matricula consular bears a photograph and signature, but no physical description of the bearer, potentially leading to misuse. "In this era of rampant document fraud and identity theft, requirements for establishing identification should be tightened rather than compromised," said Timothy Reiniger, executive director of the NNA.

Many reject use of CID

There are few measures in place ensuring that an individual presenting a matricula consular ID is who he or she says, or doesn't have a criminal history.

"I have seen illegals with as many as four of these IDs on their person, each with a different name but with their picture on it," said Randy Jones of the Alamance County Sheriff's Department.

"I can see little value in the matricula card for law enforcement," said Jones, a 37-year veteran law enforcement officer. "The only thing you can be relatively comfortable with when in contact with someone using one is that they are not a U.S. citizen."

According to the Durham resolution, the matricula consular ID would "assist the Durham Police Department in minimizing unnecessary and po-

tentially life-changing arrests of hard-working residents guilty of no more than a minor traffic infraction."

Looking the other way

Brown conceded that the council's resolution is a "wink and a nod," encouraging police to ignore illegal immigration. Police "could spend all their time, quite literally, on enforcing immigration," he said. "What about all the other crimes? It's not their responsibility."

But law enforcement officers take oaths to enforce the laws of this state; that they will not be influenced in any matter on account of personal bias or prejudice; and to support and maintain the Constitution and laws of the United States, according to the North Carolina Training and Standards division.

"I think any law enforcement officer who relied on those is not doing their duty," Spakovsky said.

Watering down 287(g)?

Critics of the matricula consular ID say such measures undermine the federal 287(g) immigration enforcement program. Under 287(g), Immigrations and Customs Enforcement provides state and local law enforcement with the training and subsequent authorization to identify, process, and, when appropriate, detain immigration offenders they encounter during their regular, daily law enforcement activity. According to an April 2009 Heritage Foundation report, 29 jurisdictions across the U.S. participate in 287(g).

Including Alamance County, six N.C. law enforcement agencies participate in 287(g), Jones says. As of January 1, all 100 counties will participate in the Secure Communities program.

Brown believes the controversy surrounding the matricula consular ID is part of a larger problem. "It's an outright symbol of the failed policies of the U.S. Congress to deal with immigration. It's almost like the issue is too hot for anyone to deal with it." CJ

New Greensboro Police Chief Confronts Downtown Crime

By SAM A. HIEB
Contributor

GREENSBORO
Welcome to Greensboro, Ken Miller.

The 25-year police veteran and former senior deputy chief of the Charlotte-Mecklenburg Police Department was hired as Greensboro police chief in September with hopes of providing some stability to a police department mired in controversy for nearly five years.

But Miller's move from Charlotte and its big-city problems to the quieter environs of Greensboro has been anything but smooth.

Miller's mere presence seems to have calmed a department still reeling from the controversial resignation of Chief David Wray in 2006, which eventually led to the controversial resignation of City Manager Mitchell Johnson three years later.

At the least, Miller has a polished demeanor when addressing the media, the public, and the city council. That's a stark contrast to his predecessor, Tim Bellamy, who was hired on a permanent basis after serving as interim chief following Wray's resignation.

While Miller has met with members of the Greensboro community to hear their concerns, his true on-the-job introduction was in response to a tragic event.

In October, police discovered the bodies of Marquise Steens and his 7-year-old son Malique shot to death in their Greensboro home. Three days later, two suspects — 32-year-old Arshaq Allah and 33-year-old Cedric Cunningham — were arrested after a woman reported a sexual assault soon after the murders took place. Police connected evidence in the assault crime to the Steens' murders, enabling them to pinpoint suspects.

Even a hardened police veteran like Miller had trouble explaining why the suspects would turn a gun on a 7-year-old child.

"This isn't the first time in my career I've seen a child murdered," Miller said during the press conference announcing the arrests. "I just don't know what brings a person to do that."

Miller's leadership in the wake of the tragic crime impressed local media.

"Police took extraordinary action in response to this outrage. They said all the right things: that the crime was intolerable, and that they would not quit until they solved it," wrote Greensboro *News & Record* columnist Doug Clark. "Maybe this marks a new

day in law enforcement in Greensboro."

But a few days later, an early-morning shooting occurred across the street from a downtown nightclub, wounding four people. The gunman also was wounded by a responding police officer.

Less than 24 hours after that incident, another man was arrested after police say he pulled a gun outside another downtown nightclub.

The thought of violence marring Greensboro's thriving downtown nightlife concerned community leaders and city council members.

On Nov. 10, council member Zack

Matheny, whose district includes downtown, announced a new downtown safety plan. The highlights were an increase in fines for loitering, a \$5 parking fee for city garages, and, the most controversial element, an 11 p.m. curfew for anyone younger than 18.

Miller found himself before the City Council at a November meeting as members tried to balance downtown safety with new restrictions that possibly could turn citizens away from downtown.

Miller told council members he was "good" with the ordinance revisions, but he also cautioned that he was unsure of their effectiveness.

Since the stiffer penalties would affect only downtown, some members worried that undesirables might move their unruly behavior to other areas.

Miller said he didn't know. "I don't have the information or the data to suggest that a higher penalty is something that someone who may or may not be intoxicated is thinking about when they act," he said.

As for the curfew, Miller noted that Charlotte had a curfew for youth under the age of 16. But Miller said the curfew was most effective in preventing "teen victimization," while some believed the Greensboro curfew targeted teens who loitered downtown.

In the end, the council passed three revisions — the curfew, along with stiffer penalties for both loitering outside establishments that serve alcohol and urinating in public.

The curfew, however, contained a one-year sunset provision, allowing Miller and his force to gauge its effectiveness.

Only once did Miller indicate any frustration with the council, during the debate over whether the ordinances should apply only to downtown or citywide. *CJ*



COMMENTARY

Glass Half-Full On Tax Referendums

On Nov. 2, North Carolina voters sent a resounding message to elected officials about the size of local government. Across the state, 14 counties — Alamance, Alleghany, Bladen, Caswell, Cherokee, Chowan, Clay, Columbus, Guilford, Harnett, Montgomery, Orange, Person, and Yadkin — placed referendums on the ballot to increase the local sales tax by 0.25 cents. In all 14 counties, voters rejected the tax increase. Overall, more than 60 percent of voters said "no."

In doing so, voters rejected the implicit — and at times not so implicit — threat that without a sales tax increase, property taxes must go up. This is a false argument that voters wisely didn't buy.

The question should not be merely which tax to raise. There is another option: reducing the size and cost of county government. And even if additional revenue were needed, a property tax hike still would be preferable.

Make no mistake, local government officials would rather raise your sales tax than your property tax. The reason is simple enough, though they'd never publicly admit it: Sales tax increases cause less public anger than property taxes. Most citizens have no idea how much they pay in sales taxes to help fund local government. It's a small percentage that's tacked on to most everything they buy. They can tell you precisely how much they pay in property tax, of course, because they get a big bill every year.

Pitching sales taxes as an alternative to property taxes is nothing new. The basic argument is that sales taxes make sure that those "other" people pay their fair share. You know — them. Fifty or 60 years ago, the "them" were often blacks. In recent times, the "others" that are being referred to typically are immigrants, legal or otherwise.

That is absurd. Property taxes affect renters. Landlords most certainly pass along the cost of the property taxes they pay on the

rental properties they own in the rents they charge. Other businesses do the same.

At another level, preferring sales taxes to property taxes makes no sense. If you itemize your federal tax return — as most people with a mortgage do — you can deduct the property taxes you pay. That's not the case with sales taxes.

Do these votes mark a turning point? Will counties continue to seek approval for higher sales taxes in the future? Maybe, though not necessarily in the manner that advocates of limited, representative government will find appealing.

It's certainly true that the rejection sends a powerful message to county commissioners. And as a result of what happened Nov. 2, there are now more county commissioners across the state who favor less government spending.

But many county officials, both elected and staff, still believe in doing big things and erecting new public works. And if you believe that government is the answer, you're likely to see the problem not as public anger over taxes but rather timing. After all, seven of

nine sales tax referendums this year that were on the ballot before the general election season passed. So the "solution" to those local government types who want more money will be to stage the vote at any date other than Election Day.

Is such ballot placement consistent with the principles of democracy? Not really. But if you think you know more than average citizens what the community needs, the question is how to go about getting it. And if that means holding a special election raising the sales tax on some random Tuesday, so be it.

So November's results, encouraging as they may be, also highlight the need for constant vigilance. *CJ*

Michael Lowrey is an associate editor of Carolina Journal.



**MICHAEL
LOWREY**

**Local governments
like sales taxes
because they don't
cause as much
anger as property
taxes**

From the Newsstands

TIME's Klein Consistent

Two years after George W. Bush left the White House, *TIME* columnist Joe Klein has fewer legitimate reasons to invoke the 43rd president as the source of all of our nation's problems.

So it would not be unreasonable to think that Klein was happy to see the arrival of the former president's new memoir *Decision Points*. ("Yes! Another chance for some good ol' Bush bashing!")

And, yes, Klein does indeed return to the theory that Bush deserves most of the blame for what ails us:

In the book, Bush never stops to wonder if, maybe, his team should have spent more time focusing on al-Qaeda before Sept. 11 — as the outgoing Clinton national security team had strongly suggested — or whether he should have taken more seriously the infamous Aug. 6, 2001, memo from the CIA warning of an al-Qaeda attack on the homeland.

Klein never stops to wonder, of course, whether Bush's team inherited the al-Qaeda problem because of the Clinton administration's lack of seriousness in dealing with the issue.

In the headline of her November *Fortune* column, Nina Easton poses the following puzzler: If campaign finance reform is so important, why hasn't it worked?

Self-styled reformers will respond, of course, that we haven't had enough reform. Easton isn't buying that argument:

Why — after a decade of "reform" — is there more money being spent, more outside electioneering, more negative advertising? Could it be because Washington's attempt at regulating campaign finance, treated as a sacred cause by editorial pages, has only led to absurd consequences?

Anyone who has been around Washington politics long enough can't avoid this truism: Election-year money is like a rushing river that invariably finds cracks in any dam the reformers erect. In 2002, Congress passed the McCain-Feingold campaign reform law to stop the flow of corrupting special-interest money — uncapped donations known as "soft money" — going to political parties.

The result: Special-interest money, from the right and the left, flowed through a widening crack in

the dam in the form of tax-exempt 527 and 501(c)4 organizations that took over much of the historical role of the parties, from messaging to getting out the vote. The voices of the national parties, now subjected to the McCain-Feingold limits, and candidates, operating under strict donation caps, are increasingly drowned out.

Left unexplored in this column is the one certain way to reduce the flow of big money into politics, an option one could endorse wholeheartedly:

Make government less important. The less government does for us and to us, the less incentive people will have to spend money influencing those who lead government.

Minneapolis blogger James Lileks' latest *National Review* column puts forth the novel idea of forcing public broadcasters to seek advertisers:

Granted, the very idea, of crass splashy ads crashing into the well-tempered palaver makes public-radio advocates rare back like Dracula confronted with the cross. Public radio is known for its seamless tone, its even temper. Mournful interstitial banjo music leads into a reasoned but rueful account of Sudanese atrocities, followed by gently effervescent baroque quartets that yield to a station ID with a hopeful flute fillip. Somewhere on Olympus, Daniel Schorr nods in approval. Commercials would spoil it.

But many shows already have a commercial, fore and aft. "This program on the folk music of Depression-era transgendered African-American pigeon fanciers has been brought to you by a large corporation whose board vainly believes this will engender good will, and a grant by the Gotrocks Foundation: spending its largess in a fashion that would give its capitalistic benefactor a coronary for over 30 years."

The corporation grants are a particularly pathetic piece of danegeld; British Petroleum could sponsor every single public-radio show, and no listener would conclude, "Well, I hated you for killing the earth, but you sponsored that show on the impact of lead-based makeup in Renaissance commedia dell'arte, so we're even."

— MITCH KOKAI CJ



Car Tax Revenue Takes Nosedive

By MICHAEL LOWREY
Associate Editor

CHARLOTTE

North Carolinians own fewer cars than they did before the Great Recession, and the cars they still own are worth, on average, less. That's having an impact on local property tax collections, reports the *Raleigh News & Observer*.

The situation stems from a simple fact: State residents are buying drastically fewer new cars today than in the past. Car sales are down 30 percent compared with 2005. And when people buy, they often are choosing to purchase less expensive vehicles.

"One thing we are aware of is that consumers are holding their cars longer than they ever have before," said Robert Glaser, president of the N.C. Automobile Dealers Association.

Marcus Kinrade, Wake County revenue director, agrees that the recession has changed people's behavior.

"In many cases, people are trading down, value-wise, rather than the historical trend of trading up," he noted.

The average value of a vehicle registered in the county is now only about \$9,300, comparable to the levels of the late 1990s.

State residents also own fewer vehicles today. Total passenger vehicle registrations are down by 325,000 as compared to 2008. In Wake County alone, 15,000 fewer cars and pickups are registered now than before the recession.

Put these factors together, and it amounts to less money for local governments. In the case of Wake County, the county is estimating that it will take in \$36 million in property tax on vehicles this fiscal year. It collected \$45 million in 2008-09.

"You could argue that it's not that big," said Wake County Manager David Cooke. "But it used to be a part of the tax base that grew every year, even though cars depreciate. It's just symptomatic of what's going on in the economy."

Extra Charlotte transit tax?

The Charlotte Area Transit System has big plans for building transit lines. Unfortunately, its funding is not what was projected, prompting talk of seeking legislative approval for an additional 0.5-cent sales tax for transit, reports *The Charlotte Observer*.

Localities in North Carolina only have as much taxing authority as the General Assembly grants to them. In 1998, the legislature gave Mecklenburg County the authority to impose an additional 0.5-cent sales tax for transit. Money from the tax was to fund CATS' vision of five transit lines running outward from Uptown Charlotte. Twelve years later, only one line has been built.

CATS is now projecting that it will have enough money to build, at most, one additional line unless it gets additional funding. The projects under consideration are a \$1.1 billion extension of its existing light rail line to the UNC-Charlotte

area and a \$400 million commuter rail line to the north Mecklenburg towns of Huntersville, Cornelius, and Davidson.

The transit system currently estimates its shortfall at \$400 million. To close that, Charlotte officials are likely to lobby for approval of a second 0.5-cent sales tax for transit.

Mussel may divide Garner

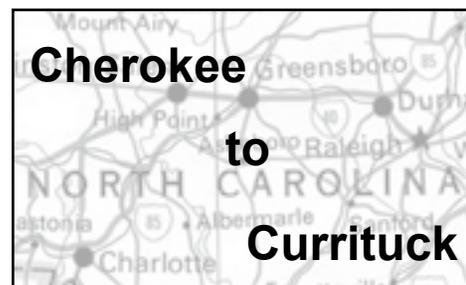
Outrage from residents of Garner may ensure that a portion of Raleigh's Outer Loop of Interstate 540 in southern Wake County literally does not split the town. One route the N.C. Turnpike Authority has considered would run through the middle of Garner. This possible routing would minimize impacts on the endangered dwarf wedge mussel, reports the *Raleigh News & Observer*.

Since the mid-1990s, the plan was to run the highway through largely undeveloped property to the south of Garner and Lake Benson. This routing, though, would cross Swift Creek at a point where small numbers of the brown-shelled, thumb-sized dwarf wedge mussel are found. The route through Garner would have spared the mussel.

The mussel previously delayed the construction of the U.S. 70 bypass of Clayton, which is located four miles south of Garner. Construction was allowed only after Wake and Johnston counties authorized 100-foot stream buffers to reduce runoff into Swift Creek.

But when 500 residents showed up at a public meeting in late November to protest the in-town route, authority officials appeared ready to abandon those plans.

"We don't build a road for dwarf wedge mussels. We don't build a road for anything other than people," authority chief engineer Steve DeWitt said.



Hot Dog Vendor Jailed Repeatedly for Operating Without License

By SARA BURROWS
Associate Editor

DURHAM

After months of unemployment, 57-year-old Steve Pruner decided to create his own job selling hot dogs in downtown Durham. Problem is, state laws and regulations called “onerous” by a Durham County health official have sidelined Pruner’s hot dog cart.

Pruner, a former executive recruiter for a company conducting clinical research trials, had to find another line of work when the economy went bad. Self-employed, with a mentally handicapped 26-year-old daughter and a 48-year-old brother on kidney dialysis depending on him for support, running a hot dog cart seemed to be the ticket. It wouldn’t require much capital, he could be his own boss, and he could even build a cart himself, he thought.

But Pruner never anticipated how much red tape would stand between him and the American dream.

Unable to build a box-on-wheels that satisfied city planners, Pruner purchased a “professional” pushcart for \$2,500. It took another \$150 to get vending and health permits.

Before he could get a health permit, however, he’d need an inspection. To get an inspection, he would have to enter into a “commissary agreement,” requiring him to prepare his food, wash his cart, and store his supplies in a permitted restaurant or commissary.

Pruner claims it’s nearly impossible to convince a restaurant owner to enter such an agreement, unless you are a friend or family member.

Viewing the rule an “undue restriction” on what he deems his “constitutional right to work,” Pruner chose



Street vendor Steve Pruner says Durham’s requirement for him to have a “commissary agreement” with a restaurant is an “undue restriction.” (CJ photo by Sara Burrows)

to ignore it and to open his business — Outlaw Dogs — without permits early this year.

Since then, the health department has tried to shut him down multiple times — first asking him to leave his vending spot, next issuing a cease-and-desist order, and finally suing to have him declared a “public health hazard.”

Pruner was thrown in jail Oct. 27 for 24 hours before the Durham County Superior Court issued a permanent injunction against him Nov. 2.

On Nov. 18, while waiting to see if the N.C. Court of Appeals would hear his case, Pruner reopened his cart. After two hours of sales, a police officer threatened to arrest him for “obstruction of justice” if he didn’t pack up and leave.

On Nov. 22, Pruner set up his hot dog cart again, telling his girlfriend he had no other choice. Durham County police threw him back in jail.

Mark Myer, food and lodging supervisor of the Durham County Health

Department, said the commissary rule is state law, enforced by the Department of Environment and Natural Resources. The law and subsequent regulations were enacted in the early 1990s and haven’t been updated.

The idea, he said, “is that the operator has permanent facilities that are inspected [and] that they use as their kitchen rather than their garage or the side of the road or a storm drain to dump their waste.”

Myer admits there is no way to ensure that vendors are using the facilities daily.

“They are sort of on the honor system,” he said.

Often the commissaries collect rent payments from the vendor, he said. “So they’re not going to call and say ‘he’s not showing up.’”

Myer disagrees that it is “nearly impossible” to get a commissary agreement and points to the county’s 18 permitted hot dog vendors as proof.

“Our rulemaking process is oner-

ous,” Myer admitted. “It’s difficult. And it is that way because of necessity. But, at the same time, business and industry haven’t figured out a way to help us get rules in place that not only work for public safety but also work for them.”

The Institute for Justice, a libertarian public-interest law firm, has taken interest in Pruner’s case. Robert Frommer, a staff attorney specializing in economic liberty cases, suspects restaurants are behind the regulation.

“We’ve seen this in a number of cities around the country, where brick-and-mortar restaurants want to use the power of government to prevent honest competition,” Frommer said.

If the government were interested in protecting public health, he said, there are less burdensome ways to do it, such as inspecting the vendor’s home and/or his pushcart in the location of operation.

Myer said the county conducts about two inspections per year at the location of operation. But he said “it would be grossly impossible for us to do field-testing” of the carts for bacteria, “and it would be a dicey legal situation, where any lawyer could rip us to shreds if we’re not a certified lab. ... There’s no way anybody could afford that.”

“We say we want people to be self-starters and that we want people to have entrepreneurial drive,” Frommer said, “but there are so many rules and restrictions in place, it’s forcing a lot of people who’ve hit a rough patch to not be able to take care of themselves and forcing them to become a ward of the state, which is sort of contrary to what we generally think of as the American dream.” CJ

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Easley Cops Felony Plea, Fined \$1,000, Gets No Jail Time

Continued from Page 1

on private aircraft that were not reported, used state aircraft for personal business, obtained real estate at discounted prices, and failed to disclose rental income from his Raleigh home while his family lived in the Executive Mansion.

The state prosecution was launched after the N.C. Board of Elections fined Easley's campaign committee \$100,000 for illegal flights. By the time the elections board could enforce its penalty, the committee was broke, and only \$5,000 of the fine was paid.

Government watchdogs were disappointed that the investigations didn't lead to a stiffer penalty.

"Just because federal prosecutors decided that Gov. Easley's behavior stopped just short of criminal behavior doesn't mean his actions were ethical or appropriate," said former Democratic consultant Joe Sinsheimer. "The office of governor comes with many perks, but free use of private aircraft is not one of them."

Easley's plea deal stemmed from a single helicopter trip that he accepted from his longtime friend McQueen Campbell in October 2006. Easley's campaign did not disclose the ride on campaign finance forms as required by law, nor did it include it in 2009 when the campaign amended its disclosure forms to reflect the free use of an automobile that had gone unreported previously.

Among the exhibits entered as evidence in court were travel records Campbell provided the elections board documenting dozens of free flights he had provided Easley beginning in 1999, when Easley was attorney general. The elections board said those flights were



Easley's plea deal stemmed from a single trip on a helicopter owned by his longtime friend McQueen Campbell in October 2006. The helicopter shown above, owned by Campbell, replaced the one Easley flew in. (CJ file photo)

valued at \$87,000.

Prosecutors did not charge Easley with wrongdoing in a real estate deal from December 2005 involving the purchase of a waterfront lot in Carteret County. Separate 2006 investigations by *CJ* and *The Charlotte Observer* concluded that Easley got a deal on the lot. About a year after the purchase, a tax revaluation found the lot, purchased for \$549,000 according to property records, was valued at \$1.2 million. In September 2009, *The News & Observer* of Raleigh obtained the closing documents and reported Easley received an additional 25 percent cash discount at closing amounting to \$137,000 on the lot.

Also absent were charges that Easley played a role in helping his wife, Mary, land a well-paying job running a speakers' program at N.C. State University. In 2008, e-mails showed the

governor asking a subordinate to make inquiries in 2005 on behalf of Mary, and Campbell (who was then chairman of the N.C. State Board of Trustees) intervened. Mary Easley received an 88-percent pay raise to \$170,000 a year in July 2008. Soon after the e-mails were published, Campbell, Provost Larry Nielsen, and Chancellor James Oblinger resigned under pressure. Mary Easley later was fired.

As part of the plea deal, U.S. Attorney George Holding agreed to drop his federal investigation into Easley's personal and public affairs.

"It is no cause for celebration that a former governor of North Carolina has been convicted of a felony related to his service as Governor, but it does signify that North Carolina is taking seriously the enforcement of its campaign finance laws," Holding said in a statement. "This ends a sad chapter in

North Carolina history. But North Carolinians are strong and will overcome this tarnishing [of] our reputation."

Rowan County District Attorney William Kenerly, a Republican, said his office didn't find sufficient evidence to move forward on any noncampaign finance charges. Campaign money never was used inappropriately, only reported incorrectly, he said. Kenerly was assigned to the Easley investigation by the elections board after Wake County District Attorney Colon Willoughby, a friend of Easley, recused himself.

It is not clear whether or to what degree prosecutors were handcuffed by a 1973 law granting immunity from further prosecution to people who are subpoenaed by the elections board to testify. This could explain why Easley's charge referred to a campaign filing that was not a part of the elections board investigation. Kenerly briefly alluded to this law at the hearing, but would say no more. Easley's attorney, Joseph B. Cheshire V of Raleigh, also suggested that law could have played a role in the nature of the charge against his client.

Speaking to reporters after the hearing, Cheshire portrayed the Easley family as victims. Despite misleading reports in the media, Cheshire said, prosecutors finally arrived at the truth. Cheshire did not cite any specific inaccuracies in the reporting while calling the governor's critics "self-important, know-nothing skills."

"But the truth will never give Michael Francis Easley and his wife, or their family, their lives back," he said. "That can never be done, no matter what you write or what you publish. Months and months and months of inundation ... really affected this family in a way that I've hardly ever seen in my life."

Sinsheimer disagrees. "If Mike and Mary Easley's lives have been destroyed as their attorney suggests, it is a result of their own greed and sense of entitlement," he said. CJ



Former Gov. Mike Easley in court on Nov. 23 with his legal team, Joseph B. Cheshire V (right), Brad Bannon (second from right), and Rick Gammon (left). (CJ photo by Don Carrington)

Media Reports Drove Federal, State Easley Investigations

Continued from Page 1

about Easley's Southport home renovations and his role in shepherding the transfer of the Southport Marina to new operators, who included the remodeling contractor.

The contractor, Nick Garrett, testified at the 2009 State Board of Elections hearing that Easley campaign officials urged him to provide additional campaign contributions in the names of his children after he had given the legal maximum.

• April 2006: "Easley Got Pricey Lot at Bargain Rate" — a *CJ* story reporting that Easley used political connections to purchase a waterfront lot at the Cannonsgate development in Carteret County at a discount.

• June 11, 2006: "Friends give Easley a sweetheart deal" — a *Charlotte Observer* story about Cannonsgate confirming *CJ*'s earlier reporting.

• March 2007: "Easley Ends Suit, Gets House Deal" — a *CJ* story about Easley getting a bargain on a 1996 purchase of a home at Bald Head Island not long after a lawsuit he settled as attorney general protected the island from coastal erosion, boosting home values.

• June 2008: "Taxpayers Fund Easley Coastal Trips" — a *CJ* story about Easley's use of state aircraft for personal business.

• July 1, 2008: "Mary Easley's European jaunts cost taxpayers \$109,000"

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Easley Didn't Disclose Before Marina Vote

By DON CARRINGTON
Executive Editor

Gov. Mike Easley failed to disclose a personal business relationship — a \$150,000 home-remodeling contract — with Wilmington developer Charles "Nick" Garrett, Jr. before Easley called for a Council of State vote to approve a lease of the state-owned Southport Marina to Garrett and his associates.

Garrett's development company remodeled Easley's Southport home shortly after Easley became governor in January 2001.

In an apparent attempt to downplay Easley's potential conflict of interest, an Easley spokeswoman said that he did not vote on the marina deal and that Garrett is not a principal in the project.

In addition to involvement in the marina and the remodeling of Easley's Southport home, Garrett got a plum automobile license tag franchise in Wilmington from the N.C. Department of Transportation despite a recommendation by a DOT official against granting



commissioner. By law, the council is required to approve or deny state real estate transactions.

The 46-acre marina property, under control of the N.C. State Ports Authority, had been leased to Southport Marina, Inc. to operate the facility. Raleigh businessmen Cliff Benson, Jr. and John F. Phillips owned that company but later sold it to new owners.

A story in the *Triangle Business Journal* in August 2005 reported Cary developers Tim Smith and Julian "Bubba" Rawl "provided financial backing for Wilmington home builder Nick Garrett's July purchase of Southport Marina Inc." The story also reported that Smith and Rawl's only involvement was to help Garrett finance the purchase. "We don't want to be managing it. We don't know anything about running marinas," Smith told the newspaper.

The Council of State made the new marina lease contingent on the sale of Southport Marina Inc. to the new owners.

Gov. Mike Easley's home in Southport (arrow points to it in photo above) was remodeled by someone who was a principal in a company later involved in the Southport Marina lease deal. (CJ Photo by Don Carrington)

The vote on a new marina lease came at the monthly Council of State meeting January 2006. The council is comprised of the governor and the other nine independently elected state officials, such as the state treasurer, lieutenant governor, and agriculture

Continued as "Easley" Page 2

Carolina Journal's investigation into Gov. Mike Easley began with this story in the April 2006 print edition. It originally appeared online in March 2006.

— a *News & Observer* story about the first lady's costly travels.

• July 2, 2008: "Mary Easley gets 88 percent pay raise" — a *CJ* Online story reporting that N.C. State University officials hiked the annual salary Mary Easley received to run a speakers' program at the university to \$170,000.

• July 30, 2008: "Provost Says He Acted Alone in Hiring" — a *CJ* Online story about Mary Easley's initial hiring

at N.C. State in 2005.

• October 2008: "Clues point to Secret Easley Air Service" — a *CJ* story about McQueen Campbell flying Easley for free to campaign and recreational events.

• May 2009: "Executive Privilege: The Perks of Power" — a two-part *News & Observer* series documenting benefits that Easley obtained from close friends, including free cars, free

campaign flights, free vacations, and a questionable job for his wife.

• June 2009: "Records: Mike Easley involved in hiring" — a *News & Observer* story recounting e-mails showing Easley and McQueen Campbell urged N.C. State officials to hire Mary in 2005.

• June 2009: "Easley probe expanded to marina" — a *News & Observer* story updating the situation at Southport first chronicled by *CJ* in 2006.

• Sept. 11, 2009: "Easleys got break on coastal lot" — a *News & Observer* story revealing that Mike and Mary Easley received an additional \$137,000 discount in cash at closing. The price the Easleys paid was much lower than previously reported in 2006 by *CJ* and *The Charlotte Observer*.

• December 2009: "Rand Key Player in Easley Property Swap" — a *CJ* story uncovering that Sen. Tony Rand and Easley jointly owned a lot that was part of Easley's unusual Bald Head Island home purchase in 1996.

• January 2010: "Easley Ethics Forms Omitted Rental Income" — a *CJ* story reporting that Easley did not disclose on state ethics forms at least three years of rental income from tenants at his Raleigh home while the Easleys were living in the Executive Mansion.

Failing to file an accurate report is a misdemeanor; knowingly filing a false report is a felony. *CJ*

Host of N.C. Lawmakers Take No-New-Taxes Pledge

By DAVID N. BASS
Associate Editor

Nine of North Carolina's 45 incoming freshman state legislators have signed a pledge to "oppose and vote against any and all efforts to increase taxes," a move in line with their campaign promise to fix the state's fiscal hole without resorting to tax hikes.

The Tar Heel State could face a budget deficit as high as \$4 billion in 2011, partly due to a temporary 1-cent sales tax increase set to expire next year.

Democratic Gov. Bev Perdue has shied away from tax increases and instead asked cabinet-level agencies to submit plans for 5-percent, 10-percent, and 15-percent cuts to their budgets.

Leaders of the newly elected Republican majority — holding a 68-52 advantage in the House and 31-19 in the Senate — say tax increases are off the table.

"We need to balance the budget without extending those so-called temporary tax rates, because we've got to get more competitive with other



The Americans for Tax Reform website (www.atr.org) currently features a countdown to Jan. 1, when the Bush tax cuts will expire.

states," said Rep. Paul "Skip" Stam, a Republican from Wake County who was nominated by the Republican caucus to become House majority leader in 2011.

Some of the GOP's freshman foot soldiers already have put that promise in writing. Each year, Americans for Tax Reform, a taxpayer advocacy group in Washington, D.C., asks state and federal lawmakers to sign its Taxpayer Protection Pledge. By signing the pledge, elected officials promise their constituents they will oppose any tax increases.

The following newly elected

members of the General Assembly, all Republicans, have signed the pledge:

- Louis Pate (Senate District 5)
 - Wesley Meredith (Senate District 19)
 - Kathy Harrington (Senate District 43)
 - Dan Soucek (Senate District 45)
 - Bill Cook (House District 6)
 - Stan Larson (House District 9)
 - Jeff Collins (House District 25)
 - Harry Warren (House District 77)
 - Rayne Brown (House District 81)
- At the federal level, U.S. Sen.

Richard Burr of North Carolina has signed the pledge. So have five incumbents from North Carolina's congressional delegation — Reps. Walter B. Jones, R-3rd; Virginia Foxx, R-5th; Howard Coble, R-6th; Sue Myrick, R-9th; and Patrick McHenry, R-10th.

Rep.-elect Renee Ellmers of the 2nd District, the only Tar Heel State challenger to defeat an incumbent member of Congress, also has signed the pledge.

Taken as a whole, the incoming 112th Congress will be far more tax-cut-friendly than the last one. In the 111th Congress, 174 representatives and 34 senators signed the pledge, compared to 235 representatives and 41 senators in the 112th.

"Every single new House member is a pledge signer with one exception," said Grover Norquist, president of Americans for Tax Reform. "Otherwise, everyone who replaced a Republican was a pledge taker, and everyone who beat a Democrat was a pledge taker." *CJ*

Associate Editor Anthony Greco contributed reporting to this story.

Kristol: Obama's 'Survival Instinct' Will Cause Move Toward Center

BY CJ STAFF

RALEIGH

The American political picture has transformed drastically in the last two years, with enthusiasm for President Obama and his Democratic congressional allies yielding to renewed support for Republicans. William Kristol, editor of *The Weekly Standard* and contributor to Fox News, discussed this transformation with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: We have seen quite a change over the past couple of years. Why?

Kristol: Politics is unpredictable. That's one reason why it's fun and exciting, as well as important. Two years ago, everyone thought we were in for a new New Deal, a new liberal era. Barack Obama was the new Franklin Roosevelt. And maybe it could have happened. Maybe if he'd been more careful in what he had proposed, if he had won some Republican support for some of his legislation, perhaps we'd be looking at a very different political situation now. I'm not sure if it was inevitable that things would change as radically as they have in the last 20 months or so, but they have changed radically. I think the main reason is results. You cannot pass a massive stimulus package on a party-line vote, virtually, and then 18 months later people say, "What happened? Was that money well-spent?" People think not, and you've got to take responsibility for that. Similarly on ObamaCare, we had a huge debate. The country got very well-informed on health care issues and I think decided basically that the president's plan was not the way to go. So I think what happened was not really political gimmicks or one party being shrewder than the other about its messaging or anything like that. It was about substance.

Kokai: We mentioned at the outset that people are looking at a Republican alternative. But in some respects, this isn't about wanting to get Republicans back in, but more turning toward conservatives, or people who like limited government, isn't it?

Kristol: I think one of the great surprises of the last two years has been the resurgence of interest in limited government, constitutional government, free markets, the rules that constrain arbitrary authority and the like. I think it's an extremely healthy thing. Obviously, a lot of think tanks like John Locke have been working on this for a long time. But what was amazing was the sort of upsurge of popular interest, the Tea Parties, the sense that when

"I'd say the most important thing about the last two years, beyond just the political back and forth between Republicans and Democrats and Obama and his critics, has been the Tea Parties. It's a pretty amazing phenomenon. To have something like that grow pretty spontaneously from the grass roots, no one ordered it to come into being."

William Kristol
Editor
The Weekly Standard



you really see modern, liberal, big government up close, when you see its attempt to expand even further, voters really got spooked by that. They really got worried that this was changing America almost. It's one thing to have a little incremental change, a little addition to the Medicare program, or one more environmental regulation. It's another thing to go to cap and trade or ObamaCare or to the stimulus package or the \$1.3 trillion of debt.

I think voters really recoiled from that, and it made them also think. As happens when you recoil from something, you don't just recoil. You also think, "Well, what went wrong?" And people started to rethink some of the other aspects of the modern welfare state. So I think it's a very interesting moment for conservatives, a very promising moment, where voters and citizens are really open to rethinking some things that seemed kind of closed over the last decade or two.

Kokai: How much did this surprise Democrats? Did they really think, in your estimation, that if we give them more ObamaCare, stimulus, this sort of thing, the people will say, "I kind of like this, I like the Democrats for doing this for me," and that really hasn't happened?

Kristol: Yeah, I think that's exactly what Democrats expected. It's what the media expected, and it's why the Democrats and the media are still so puzzled by what's happened. It's why they want to say, incidentally, that what's happened is entirely due to the fact that unemployment is high and the economic recovery has been slow. But I don't believe that, actually. What's happened goes way beyond the mere economic data. If people, in fact, thought this was the right way to go, they could tolerate unemployment being high for a year or two, as they did

with Reagan, and they could understand that we have to have a little bit of slow growth here as we work off the debt, or whatever. But that's not what people think. People think we're going in the wrong direction, and that's devastating, I think, to the party in charge.

Kokai: What happens next? After a big wave year in 2010, put on your prediction cap, and tell us what's going to happen next.

Kristol: I think we're at a very volatile and unpredictable and fluid moment in American politics, and anything could happen, honestly. You can imagine a big Republican victory again in 2012. The Democrats had two big victories in a row, in 2006 and 2008. You can imagine the reaction after '94. After the big Newt Gingrich-led Republican victory, Clinton came back in '96. Or both parties could end up getting discredited to some degree, and one can imagine third and fourth parties. I really think it's very hard to predict. So much depends on what happens. Does Obama adjust to the center? Do Republicans look credible when they present a conservative alternative in Congress? Did the Tea Party activists find that the Republican Party is satisfactory, is active enough, is conservative enough, is bold enough, or do they become disillusioned? Those things are just unpredictable.

Kokai: Do you have a sense that if the Republicans don't act in the way that the Tea Party activists hope, that those activists would still be mad and do something else, or are these people likely to just fade back into the woodwork and be angry and not participate much?

Kristol: No way. They've learned that their participation and activism can pay off, and you don't unlearn

that right away. Very much like in the late '60s and early '70s, activists on the left really made a big difference. They didn't then go away after one election. McGovern, for example, took a big defeat in '72, but the left in all of its different forms didn't retreat or stop fighting for its ideas in politics and other aspects of public policy. I think the Tea Party activists are very similar in that respect. So, no, I think this is an important movement.

I'd say the most important thing about the last two years, beyond just the political back and forth between Republicans and Democrats and Obama and his critics, has been the Tea Parties. It's a pretty amazing phenomenon. To have something like that grow pretty spontaneously from the grass roots, no one ordered it to come into being. Most conservatives didn't expect it. Most conservatives were pessimistic and disillusioned and getting ready for a long period in the wilderness just 18 or 20 months ago. So I think the Tea Parties are really a major phenomenon.

Kokai: How about President Obama? There's been debate about whether with a Republican Congress he would just keep plugging away with his agenda, or whether he would regroup and try to find a way to work with Republicans and salvage his own political career. What's your sense?

Kristol: I think he'll do some of both. I think Clinton did some of both. He fought with Gingrich, but he also compromised on certain issues. But I believe a little more than many of my fellow conservatives that Obama will probably end up moving to the center and trying to be pragmatic. I think most politicians have a pretty strong survival instinct, and I'm not so sure he's just going to dogmatically continue on a leftward path. But he might. *CJ*

Three N.C. Educators Win 'Spirit of Inquiry' Awards

BY JENNA ASHLEY ROBINSON
Contributor

RALEIGH
Three North Carolina professors received Spirit of Inquiry Awards from the John W. Pope Center for Higher Education Policy Nov. 4. The annual awards are given to recognize teachers of outstanding courses who have been nominated by students and selected by a panel of judges.

The award recipients, honored at a dinner in November, were:

- Brian J. Shaw, Professor, Political Science and Humanities, Davidson College, for his course "Foundations of Liberalism."



Brian J. Shaw

- Derek Yonai, The Lundy Chair of the Philosophy of Business, Campbell University, for his course "World of Business."



Derek Yonai

- Andrew Taylor, Professor, Political Science, North Carolina State University, for his course "Public Choice and Political Institutions."

mentals such as, "Why do we have business?" and "What institutions are necessary to support private enterprise?" He wants his students to understand how the system works so that graduates don't enter business "apologizing for their existence."

Shaw explained that his winning course, the "Foundations of Liberalism," is designed to teach students the many different interpretations of the liberal tradition — from John Locke

in the 17th century to John Rawls in the 20th. He tells students, "We're all liberals now," but helps them understand that diverse policies can flow from liberal origins. Shaw remarked that students rarely know his personal

views about the philosophers they study. "When we do Rawls, I work for Rawls," he said. "When we do [Robert] Nozick, I defend Nozick." His comments summed up the "spirit of inquiry" as embodied in the Pope Center award.

The introductory speaker was John Baden, chairman of the Foundation for Research in Economics and the Environment in Bozeman, Mont. Baden proposed the idea of an award for outstanding courses in North Carolina several years ago. He also was one of the contest judges. In his remarks, he praised the winning courses highly.

Baden, who has taught at several universities, including the University of Washington and Montana State University, described academia as all too often a "closed system" with "an extraordinary degree of conformity" of ideas. He said that the Pope Center award offered an antidote to that narrow-mindedness.

This year's contest garnered 59 nominations from 11 colleges and universities. The judges were:

- John Allison, Distinguished Professor of Practice, Wake Forest Schools of Business

- John Baden, Chairman, Foundation for Research on Economics and the Environment

- J. Edgar Broyhill, President and Managing Director, The Broyhill Group

- George Leef, Director of Research, The John W. Pope Center for Higher Education Policy

- Anne Neal, President, American Council of Trustees and Alumni. CJ

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

COMMENTARY

Economics: Not So Dismal

Can the "dismal science" be "relevant" and "fun"? Yes, says Kelly Markson, who teaches a survey course in economics at Wake Technical Community College in Raleigh. Recently she shared samples of her approach with community college economics instructors from around North Carolina. She spoke at a seminar, "Engaging Students in Economics," sponsored by the Pope Center at the Hilton Hotel at Research Triangle Park.

Markson, who has a Ph.D. from North Carolina State University, told the instructors how she "threw out the textbook" that had been used in her introductory class. The weighty book, designed for students who would move on to advanced economics, was too mathematical. Forced to concentrate on math, her students — most of whom will never take another economics course — weren't learning basic principles.

So in its place she adopted as her text a small book, *Common Sense Economics*, and devoted the entire course to economic concepts. Supported by a grant from the Searle Freedom Trust, Markson now is creating materials that will allow the course to be more widely used — including online. She is working with Johnny Shull, also an economics instructor at Wake Tech.

Markson started her talk by sharing some "research." One evening at a cocktail party, she asked 40-somethings whether they had liked economics in school. Everyone had hated it (except her husband) and had forgotten what they learned. She is trying to change that.

Here's how Markson makes economics relevant:

- The Cheating Spouse. To illustrate marginal analysis, she first directs class discussion to the puzzling question of why water, which preserves life, is cheaper than diamonds, which are useless except for cutting glass. Once students grasp the concept of marginal analysis, she brings up the "cheating spouse." A husband or wife may be happy overall with the time spent with his or her spouse, but for a marginal (that is,

extra) hour, another person might be preferred. (Markson does not recommend acting on that marginal preference.)

- Lights Out in North Korea. The familiar choice between military and consumer goods — "guns vs. butter" — is presented in most economics classes through production possibilities curves. But Markson shows students a nighttime map showing the border between

North and South Korea. With its focus on military preparation, North Korea is enshrouded in dark, while South Korea is full of light because consumers can purchase electricity.

- Personal Finance. This is the most popular part of the course. Markson applies economic concepts such as comparative advantage to one's life choices. (Specialize; concentrate on what you do best.)

- Debates. Markson encourages debate and small-group discussions on such topics as "Should there be a legal market for human organs?" or "Is Wal-Mart good or bad?"

- Incentives. Markson rewards students who find videos that illustrate economic concepts.

Instructors at the seminar offered their own ideas about how to engage students in economics. Two concepts were:

- Elasticity. Illustrate with surgery: A person's demand for an appendectomy is inelastic (it's usually an emergency), but for a tummy tuck, demand is elastic.

- Opportunity cost. An instructor asks students why they are in class that morning. What did they give up (such as sleep)? That alternative was the opportunity cost of sitting in class.

One instructor even offers a \$20 bill to any student who can bring in any article from the daily newspaper that does not have economic implications. (He has not yet had to pay.)

No, economics does not have to be the dismal science. At Wake Tech, it's relevant and fun. CJ

Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy (popecenter.org).



JANE SHAW

Campus Briefs

Jennifer Roback Morse, founder and president of the Ruth Institute, spoke at the University of North Carolina at Chapel Hill and Duke University on Oct. 28.

The Ruth Institute promotes the ideal of marriage as a lifelong commitment between one man and one woman.

At UNC-Chapel Hill, Morse spoke to a crowd of nearly 30 students and faculty about her two books, *Smart Sex: How to Find Life-Long Love in a Hook-Up World* and *Love and Economics: It Takes a Family to Raise a Village*.

In her talk, Morse described her battle with infertility, her background as a woman struggling to balance a career and motherhood, and her decision to adopt a child. Those experiences inspired her to write *Love and Economics* to "tell mothers they are making a social contribution, to affirm moms, and to let them know they're not defective if they want to stay home with their children."

During Q&A, Morse answered students' questions about cohabitation, divorce, the effects of higher education on traditional family structures, and finding the right person for long-term love. She called participating in the hook-up culture "practicing for failure" in marriage. Students also asked for advice on telling a potential date that they're not really interested in the hook-up scene.

At Duke, Morse spoke on the topic "Retreat from Relationship in a Hook-Up Culture." Both events were free and open to the public.

Morse taught economics at Yale University and George Mason University for 15 years before exploring the topics of love and marriage. She also was a research fellow at Stanford University's Hoover Institution from 1997-2005. She is the senior research fellow in economics at the Acton Institute for the Study of Religion and Liberty.

The events were sponsored by the Thomas International Center, which promotes the ideas of Thomas Aquinas and the Catholic intellectual tradition, and the Newman Catholic Student Center at Duke University. CJ

Compiled by Jenna Ashley Robinson, campus research coordinator for the John W. Pope Center for Higher Education Policy (popecenter.org).

Facts and Figures Show Higher Ed Shortcomings

By JENNA ASHLEY ROBINSON
Contributor

RALEIGH
We often hear statements about higher education such as: "American universities are the envy of the world!" "Attending college will make students smarter, happier, and more successful."

But a quick review of the facts reveals that American universities often deliver content that is easy, biased, or of questionable value — at great expense to students, parents and taxpayers. While college still helps many individual students achieve their financial and academic goals, looking at the "big picture" shows that, for many students, college isn't everything it's cracked up to be.

The Pope Center has compiled the following list of facts:

What do students learn?

- Only 29 percent of college graduates achieve a score of "proficient" on national literacy tests. (National Assessment of Adult Literacy)

- Only 53 percent of students who begin college have graduated after six years. (The College Board)

- American colleges fail to increase students' civic knowledge significantly; in a multiple-choice exam on America's history and institutions, the average freshman scored 50.4 percent, and the average senior scored 54.2 percent. (The Intercollegiate Studies Institute)

- Today's students study only 14 hours per week outside of classes, compared to 24 hours in 1961. (Babcock, Philip, and Marks, Mindy. "Leisure College USA," *Review of Economics and Statistics*)

- Only 15 out of 70 leading colleges and universities require English majors to take a course in Shakespeare's works. (The American Council of Trustees and Alumni)

College is expensive

- In 2008-09, total federal, state, and institutional aid to students totaled \$168 billion. (The College Board)

- On average, full-time faculty members at four-year and two-year universities in the United States make \$80,368 per year. (American Association of University Professors)

- An average full-time staff member at a four-year university in the United States makes \$75,245 per year. (National Center for Education Statistics)

- Between 1993 and 2007, inflation-adjusted spending on administration per student increased by 61 percent. (The Goldwater Institute)

- States spend an average of \$4.4 billion each year on higher education.



(U.S. Census Bureau, State and Local Government Finances by Level of Government and by State: 2007-08)

- In 2008, average debt of graduating seniors with student loans was \$23,200 — up 24 percent from \$18,650 in 2004. (The Project on Student Debt)

- The average price of one year of college — including tuition, fees, room, board, supplies, books, and transportation — is nearly \$40,000 at private four-year universities and more than \$19,000 for in-state students at public four-year universities. (The College Board)

No guarantee of success

- 29 percent of college grads

work in high school-level jobs, including ticket-taker, barista, and flight attendant. (Carnevale, Smith, and Strohl. "Help Wanted: Projections of Jobs and Education Requirements Through 2018")

- 20 percent of individuals making less than \$20,000 per year have bachelor's or master's degrees. (U.S. Census Bureau, Current Population Survey, 2009)

- After factoring in forgone wages and the cost of a college education, the average lifetime earnings advantage for college graduates ranges from \$150,000 to \$500,000 — not the \$1 million figure that is often cited. (The American Enterprise Institute)

One-sided courses

- In some university departments, the ratio of registered Democrats to Republicans is as high as 21.1 to 1. (Klein and Stern. "Professors and Their Politics: The Policy Views of Social Scientists")

- In a survey at 50 selective colleges, 46 percent of students said that some professors use the classroom to present their personal political views. (The American Council of Trustees and Alumni)

- Earning a bachelor's degree significantly changes a person's opinions on the issues of same-sex marriage, prayer in schools, abortion-on-demand, the "American Dream," and the Bible. (The Intercollegiate Studies Institute) CJ

Jenna Ashley Robinson is campus research coordinator for the John W. Pope Center for Higher Education Policy (popecenter.org).

North Carolinians for Home Education

The MISSION of NCHE is to:

- PROTECT the right to homeschool in North Carolina.
- PROMOTE homeschooling as an excellent educational choice.
- PROVIDE Support to homeschoolers with conferences, book fairs, and other resources.



The IDEALS of NCHE are:

- Educational excellence.
- Parental authority and responsibility for education.
- Protection and promotion of the family.
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- Defense of Constitutional rights.

Over 9000 people will attend the annual conference and book fair in Winston-Salem May 26-28.

For more information about NCHE, you can call the office at

919-790-1100

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www.nche.com

As of January 2005, there were over 68,000 homeschoolers registered in the state of North Carolina.

Opinion

True Believers See Ivory Tower as Society's Problem Solver

The crisis is at hand! There is no time to waste! The people look to the only institution that can save them — the university!

"Are our great universities ready to assume the responsibility that has been placed upon them?" That is the central question asked by the authors of *Engines of Innovation: The Entrepreneurial University in the 21st Century*. Their weighty responsibility is to tackle the "world's biggest problems," and the authors vigorously state that the universities are indeed ready: "[T]hey have no choice and must rise to the challenge at this moment in history."

The authors are Holden Thorp, the chancellor of the University of North Carolina at Chapel Hill, and Buck Goldstein, who is now that school's "entrepreneur in residence." Thorp is also a chemistry professor whose research led to several private spin-off companies, and he is a strong proponent of university research. Goldstein founded an online information company and partnered in a venture capital firm before joining the UNC-Chapel Hill faculty in 2004.

Thorp and Goldstein make cases for the "pivotal role of research universities as agents of societal change," and that, in order to attack big prob-

lems, the academy must adopt entrepreneurs' manner of thinking.

Yet they really don't explain how the responsibility for addressing the big problems — including "hunger, the shortage of water, climate change, and inequality" — came to be "placed upon" the "great universities," or by whom. It would not appear to be the American people — the recent election indicates that Americans are instead rejecting "societal change" initiated by academics. Specifically, they are rejecting the very academic-dominated Obama administration, whose economic policies were created by such academic superstars as Ben Bernanke, Larry Summers, and Austan Goolsbee (as well as former law professor Barack Obama).

Indeed, the real urgency for academia's greater involvement in world affairs seems to come from inside the Ivory Tower, not from outside demand. And it may be a psychological phenomenon. As the economist and philosopher Thomas Sowell points out in his recent book, *Intellectuals and Society*, many academics, because they excel at school and communication, tend to inflate their ability to solve problems. Despite the many disasters caused by intellectuals throughout modern history, they often see themselves "as an anointed elite with a mission to lead others in one way or another to better lives."



Sowell's observation aptly describes the authors of *Engines of Innovation*. Academics are afforded elite status in the book; universities are "populated with the best minds in the world." Their

hubristic sense of mission is illustrated when they admiringly quote John Hennessy, the president of Stanford University: "If universities don't work on the world's biggest problems, who will?"

When it comes to "world hunger," the answer to Hennessy's question is "lots of people!" The entire agricultural world is focused on increasing productivity, cutting costs, and seeking more customers for its products.

Churches, nonprofits, and international nongovernment organizations provide charity and expertise to the world's poorest populations. The governments of advanced nations provide foreign aid, while other governments earnestly seek to improve the lot of their malnourished citizens.

The invented crisis long has been used as the reason for the "societal change" desired by the authors. They even cite the words of Rahm Emanuel, the consummate political operative, as a justification for academia's new role. His statement — "You never want a serious crisis to go to waste" — is a thinly veiled expression of the cynical use of fabricated crises by power-hungry politicians to grasp control

beyond the level that people would accept under ordinary circumstances.

Yet I am acquainted with Thorp personally, and I believe that his intentions are good but naïve and misguided, rather than coldly calculating. And to be sure, many innovations have come from universities. He and Goldstein come across as true believers, with faith in the Ivory Tower as a force to right all wrongs serving as their religion.

The authors submit that entrepreneurship is not defined easily, and they use the broadest meaning. But translating it into other areas beyond ordinary profit-driven economic activity is not trouble-free. For example, entrepreneurship is characterized by calculated "risk-taking." While the ordinary entrepreneur frequently risks everything, the academic can return to the well-salaried security of the classroom upon an endeavor's failure.

The authors are more grounded when they discuss implementation; they understand how the university works in intricate detail. Certainly, the introduction of entrepreneurial principles into some overly rigid corners of the Ivory Tower cannot hurt. It even may lead the academy to teach more about free markets and liberty, without which entrepreneurship eventually proves empty and false.

But before it confronts the world's biggest problems, academia should solve its own biases and flaws. CJ

Jay Schalin is a senior writer for the John W. Pope Center for Higher Education Policy (popecenter.org).



**JAY
SCHALIN**

Do universities really make the local economy stronger?



Pope Center's senior writer, Jay Schalin, explores this topic in the report "State Investment in Universities: Rethinking the Impact on Economic Growth."

Possible examples include SAS in Cary, Silicon Valley in CA, Route 128 corridor in MA, and Research Triangle Park in NC.

To receive a free copy, call **919.828.1400** or email shaw@popecenter.org.

The John William
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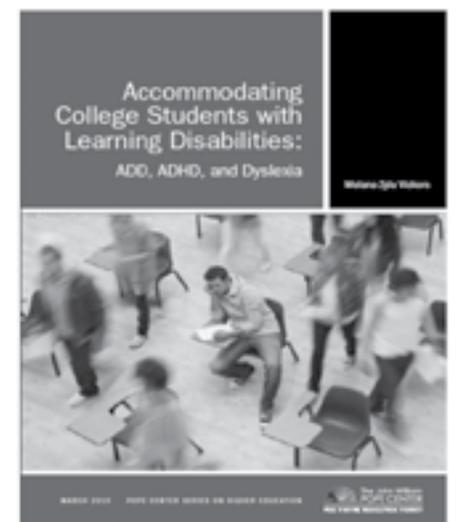
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From the Liberty Library

• In the words of Harvard historian Niall Ferguson, the United States is “an empire on the edge of chaos.” Why? Glenn Beck thinks the answer is pretty simple: because we’ve turned our backs on the Constitution.

Yes, our country is financially broke, but that’s just a side effect of our broken spirit, our broken faith in government, the broken promises by our leaders, and a broken political system that has centralized power at the expense of individual rights.

In *Broke: The Plan to Restore Our Trust, Truth, and Treasure*, Beck writes that there is a lot of work ahead, but we can’t move forward until we first understand how we got here. Starting with the American Revolution, Beck takes readers on an express train through 234 years of history, culminating with the Great Recession and the bipartisan recklessness of Presidents Bush and Obama. It’s the history lesson we all wished we’d had in school. More at www.simonandschuster.com.

• Barack Obama is the most destructive president in American history, says *New York Times* best-selling author David Limbaugh in his controversial new book *Crimes Against Liberty*.

Skillfully unraveling the tangled web of Obama’s broken promises and blatant fabrications, Limbaugh constructs an airtight indictment of Obama, charging him with ambitiously unraveling the Constitution and ultimately stripping us of our God-given freedoms.

Crimes Against Liberty uncovers the truth behind Obama’s political tactics and sweeping policies, while also revealing Obama’s calculated lies, personality flaws, and serious character lapses. Learn more at www.regnery.com.

• In *Washington: A Life*, celebrated biographer Ron Chernow provides a richly nuanced portrait of the father of our nation. With a breadth and depth matched by no other one-volume life of Washington, this crisply paced narrative carries the reader through his troubled boyhood, his precocious feats in the French and Indian War, his creation of Mount Vernon, his heroic exploits with the Continental Army, his presiding over the Constitutional Convention, and his magnificent performance as America’s first president. More at www.penguin.com. CJ

Book review

Freedom Has an Inadvertently Conservative Message

• Jonathan Franzen, *Freedom: A Novel*, New York: Farrar, Straus, and Giroux, 2010, 576 pages, \$28.

By JOSEPH COLETTI
Contributor

RALEIGH
Freedom is either the biggest punking of liberal dogma perpetrated in a long time or the best-written inadvertent debunking of liberal assumptions ever. Jonathan Franzen doesn’t much like conservatives and misunderstands America, but try as he might, *Freedom* — which he intends as an ode to the European vision of rights originating from government — ends up with a fairly conservative message in support of markets, marriage, and unalienable rights. That’s not to say it’s enjoyable to read, and in a way its apparently unintended conservatism is on par with the rest of the book.

Nobody in the book cares much about religion as a way to know God or develop a moral sense — or if his characters have deeper motives, Franzen does not care much about them. The unthinkingly liberal Berglund family and their friends experiment with sex, drugs, and rock and roll, though without much rebellion in it. They have no deeper sense of anything other than themselves. The shadowy corrupt right-wingers are just assumed to exist, with no motives given for their scheming. Even the author’s self-conscious references to *War and Peace* are superficial.

The family man, Walter, gives up his lefty, anti-growth ideals to raise a family and work at 3M, though there is no mention of what his job entails. Eventually, he returns to his youthful idealism before getting snookered by an Earth-raping natural resources company during the Bush years.

In the overly long section on Walter’s unintended job as a front man for mountaintop removal, Franzen, again seemingly inadvertently, provides a too-conspiratorial version of Bruce Yandle’s “Baptists and Bootleggers” policy model. Said corporate planetary rapist just happens to fund a pro-Israel, right-wing think tank while holding a no-bid contract to supply unsafe vehicles to troops in Iraq. When Walter’s estranged son, Joey, rebels against his parents by embracing conservative politics and showing an interest in his mother’s Jewish background in pursuit of money and status, he (naturally) works first for the think tank and later as a subcontractor in the company’s

Iraq war machinations.

Unfortunately, Franzen wants his novel to be what the book jacket calls “an indelible and deeply moving portrait of our time,” using the contrived plot devices to round out his indictment of America in the 2000s. Fortunately, the dreadful political and socio-economic commentary is merely background to Franzen’s much better portrait of a troubled family.

Even so, *Freedom* really is dreadful. Walter’s future mother-in-law calls him “conservative” because he argues for zero population growth and Club of Rome-style limits on economic growth. At one point, Walter’s best friend and rival for his wife’s affection gives a Barack-Obama-campaigning-in-San-Francisco summation of the difficulty of marketing zero population growth: “People came to this country for either money or freedom. If you don’t have money, you cling to your freedoms all the more angrily. ... That’s what Bill Clinton figured out — that we can’t win elections by running against personal liberties. Especially not against guns, actually.”

A more honest accounting of the Left’s priesthood would be hard to find: Decide where the poor should go to school, how they should get health care, and what they can eat, take away their guns, and ridicule their beliefs all in the name of protecting the planet.

In the end, the book is best read

for its insight into the author’s cramped world-view. As such, however, it provides an accurate picture of the reflexive Left. Franzen does not understand or care why people are conservative, religious, entrepreneurial, or even successful. He does not understand or care about people who are not white, upper middle class, Northern, and urban. The low-income and rural inhabitants of this fictional world are caricatures, generally more sympathetic than the main characters, but still caricatures. You can imagine that if somebody had a Gadsden flag on his lawn, that person would be on Medicare.

The only non-European person in the story is Walter’s star-crossed lover, the young South Asian Lalitha, whose Otherness seems inserted for a set piece on racism in rural West Virginia with a few comments on her enunciation thrown in for good measure. All of which presents America as an unattractive, left-leaning caricature of itself.

So how does this mess eventually affirm conservative values and — despite Franzen’s stalwart efforts — America? The troubled marriages all remain intact instead of falling into divorce. The rebellious children reconcile with their parents. Friendships are restored. Barbecues, family visits, and normality win out. After half a century of floating from dissatisfaction to dissatisfaction, the Berglund family falls into America.

But that is where Franzen ends his story, at the very point where the characters actually might become likable. CJ

Joseph Coletti is director of health and fiscal policy studies at the John Locke Foundation.



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Talk of Third Parties Not a New Political Phenomenon in the U.S.

Libertarian Party, Communist Party, Socialist Party, Green Party, and the Constitutional Party — these are some of the third political parties existing in the United States. There was even talk leading up to the 2010 election campaigns that discontented Republicans might join disappointed Americans from other parties and establish another third party.



**TROY
KICKLER**

Instead of breaking away, the Tea Party movement worked primarily from within to reform the Republican Party. Time will tell if newly elected officials will attempt to fulfill campaign promises and if the GOP will remain shatterproof.

Third-party talk is nothing new in the U.S., however. Throughout our history, third parties have been considered a means to alter the course of the country.

Here are some third parties that existed in the antebellum United

States (1820-1865):

- **Anti-Masonic Party** — the nation's first political third party. It started in western New York in the late 1820s after the murder of William Morgan, a Freemason who threatened to publish a book revealing Masonic secrets. That local incident occurred during the Market Revolution, when ordinary people started considering Masons to be elitist and unconcerned with their problems. To oppose Andrew Jackson's presidency, members later merged with the National Republican Party and formed the Whig Party, the predecessor to the Republican Party.

- **Liberty Party** — formed from the American and Foreign Anti-Slavery Society and started in the 1830s because the major parties, Democratic and Whig, avoided the slavery issue. Moreover, some were alarmed with reformer William Lloyd Garrison's radical views regarding abolition and his endorsement of secession as a means to end slavery in certain states. In its brief existence, the party incorporated libertarian thinker Lysander Spooner's ideas into the national platform. The party always maintained a strong religious component, includ-

ing anti-alcohol and Sabbatarian (or Primitive) views, driving many to join the Free Soil Party.

- **American Party** — also known as the Know Nothing Party because its members claimed that they "knew nothing" about its secretive beginnings. During the 1850s, members believed immigration was the biggest threat to America. They worried in particular about the spread of Catholicism. The party had success in various northern states and even gained control of the Massachusetts state legislature. Those who believed slavery was a bigger threat than immigration joined the Free Soil Party.

- **Free Soil Party** — started in the late 1840s to prevent the spread of slavery in the western territories and confine the "peculiar institution" to the South. Free Soilers did not espouse inclusive views of American blacks. The vast majority believed western land should be reserved for whites only. This message had a wider appeal than the Liberty Party's.

- **Peace Party** — a North Carolina third party formed during the Civil War. It began in 1863, nominated William Holden to run for governor, and gained approximately 25 percent

of the vote in the 1864 gubernatorial election. These North Carolinians wanted an "honorable peace" and to rejoin the Union. They considered the Emancipation Proclamation a war document — slavery still existed in Union-occupied areas in eastern North Carolina. If North Carolina rejoined the Union, they reasoned, the Proclamation would become inapplicable and slavery could continue.

Let's not forget that the Republican Party started as a third party in 1854. John C. Fremont was its first presidential candidate in 1856, and Abraham Lincoln was its second. The time and circumstances were right in 1860 for the regional and six-year-old political party to gain a plurality in a national election and gain the presidency.

Political parties simply are vehicles to transport ideas and a means to accomplish political goals. They are not, nor have they been, everlasting institutions. If parties can be created, they can be destroyed. If they are born, they also can die. CJ

Dr. Troy Kickler is director of the North Carolina History Project (northcarolinahistory.org).

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Short Takes on Culture

'Screwtape' on Stage

• *The Screwtape Letters*
By C.S. Lewis
Fellowship for the Performing Arts

Everyone is at least a little bit curious about Hell, and C.S. Lewis's narrative *The Screwtape Letters* is designed to tell us, from the point of view of Hell itself, exactly how we are helped to get there.

The Fellowship for the Performing Arts brought C.S. Lewis' *The Screwtape Letters* live to the Memorial Auditorium stage in Raleigh, part of a multicity calendar of engagements with the mission "to produce theatre from a Christian worldview that is engaging to a diverse audience." It was enthusiastically received in Raleigh as well as in New York City, where I first saw the performance.

All of the action takes place in Hell. Specifically, in the study of Screwtape, Senior Tempter and Uncle to the unseen junior devil Wormwood. Onstage with Screwtape is his non-verbal demon assistant, Toadpipe.

Max McLean played Screwtape in Raleigh, delivering a delightful performance of a devil simply salivating over the prospect of feasting on another soul. Steven Hauck delivered an equally gleeful performance as understudy in New York.

The story proceeds as reports from Wormwood are delivered to Screwtape's study. There Screwtape dictates replies, comments, and corrects his dear nephew, who is definitely losing the battle for his "Patient."

But Screwtape really, really enjoys his job, and self-sacrifice has no place in Hell. He finally — literally — makes no bones about adding a failed junior devil to the feasting below.

— KAREN PALASEK

• "Red"
Summit Entertainment
Directed by Robert Schwentke

"Red" delivers laughs and explosions while traveling a familiar road. This star-studded adaptation of a graphic novel manages to take a standard conspiracy theory story and make it, while not new, enjoyable.

If complex plotlines are why you watch movies, "Red" is not for you. However, if you are looking to pass a couple hours, "Red" is your movie.

The plot follows a group of retired black-ops specialists who find themselves targeted for information they have. Understandably, they fight back, causing as much mayhem as possible along the way.

"Red" is fun to watch on mul-

tipl levels. There are fight scenes, comic-book-inspired cinematography, jokes, and even a little romance.

The cast of "Red" does a great job. Bruce Willis, Morgan Freeman, Helen Mirren, Mary-Louise Parker, and Karl Urban all portray their characters skillfully. However, John Malkovich steals the show as a paranoid, LSD-addled retiree, and ends up creating most of Red's memorable moments and many of its laughs.

"Red" is a violent movie, and so is not for young children, even though the violence is not malevolent or dark. There is cursing scattered throughout the movie, and sensual content is minimal.

In conclusion, "Red" is an enjoyable movie, but don't expect to be blown away. I give it 6.5 of 10 stars.

— MICHAEL VUKE

• *Bloody Crimes: The Chase for Jefferson Davis and the Death Pageant for Lincoln's Corpse*

By James L. Swanson
2010, William Morrow

In April 1865, the nation was captivated by two events, one a manhunt and the other a lengthy funeral procession for an assassinated president.

James L. Swanson, who wrote the 2006 *New York Times* best-seller *Manhunt*, has returned to the very same time period, early spring of 1865, a time as turbulent as any the republic has seen.

Manhunt, Swanson's riveting tale of the hunt for John Wilkes Booth, masterfully told the tale of the assassin's attempt to flee to the Confederacy, where he hoped to be received as a savior.

Bloody Crimes, the story of the concurrent Lincoln death pageant and Confederate President Jefferson Davis' flight south after Richmond falls, has little of the suspense of *Manhunt*, but is an excellent history of the time.

Most obvious to today's reader is the incredibly garish taste of Victorians. Some of the funeral biers and catafalques designed for Lincoln's corpse are simply hideous. The signs and tributes that greeted Lincoln's body along the way were likewise creepily maudlin, in keeping with the times.

While *Bloody Crimes* may not be a page turner in the way *Manhunt* was, for those interested in the history surrounding Lincoln's assassination, this is an essential volume.

— JON HAM CJ

Book review

Slivinski Has Good Advice for GOP

• Stephen Slivinski, *Buck Wild: How Republicans Broke the Bank and Became the Party of Big Government*, Nashville, Tenn.: Nelson Current, 2006, 227 pages, \$25.99.

BY RICK HENDERSON
Managing Editor

RALEIGH

What can a book written about Beltway Republicans in 2005 tell us about the Congress that will convene in 2011? Quite a bit, it turns out.

In *Buck Wild*, Stephen Slivinski, at the time the director of budget studies at the Cato Institute, explores the previous 25 years of Republican governance, from Ronald Reagan's halting moves to rein in federal spending through the first decade of postwar congressional rule by the GOP, and how the Republican Revolutionaries elected in 1994 morphed into "tax collectors for the welfare state" (to cite Newt Gingrich's description of Bob Dole).

It's a fast-paced review of its times and would serve as a useful handbook for any freshman Republican (particularly one with Tea Party support) who's headed to Washington and might wonder how the GOP so rapidly abandoned limited-government principles.

The book moves quickly through the Reagan years and the conservative retrenchment during the administration of George H.W. Bush, really hitting its stride when recounting the 1994 election and its immediate aftermath.

While House firebrands in the 104th Congress suggested closing three Cabinet agencies and 300 federal programs (including the Corporation for Public Broadcasting), the Dole-led Senate would have none of it. The Senate budget for fiscal year 1996 kept every Cabinet department and called for 100 federal programs to be ended — 30 fewer than Bill Clinton proposed.

Moreover, veteran Republican appropriators in the House and Senate offered earmarks and pork-barrel spending to buy off wavering lawmakers, gutting significant cuts and reforms.

Gingrich hardly is the star of the show, however, coming across as someone more interested in the perks of office than in cutting government. By the time the 105th Congress convened in 1997, the Republican leadership reversed several of the promises in the Contract with America, and

when a handful of junior fiscal conservatives pushed back, Gingrich shut the renegades out.

Rather than cut the size and scope of government, Republicans focused on Clinton's campaign fundraising and later his sexual indiscretions, placing scandal ahead of fiscal responsibility and government reform.

Slivinski says the Republicans' isolated focus on deficit reduction was mistaken. By merely cutting red ink (as tax revenues were surging) rather than eliminating programs, the GOP squandered an opportunity to downsize Washington — particularly restructuring the entitlements that will cripple taxpayers as the Baby Boomers retire.

Along the way, Slivinski reminds us who the good guys were way back when: House rebels Tom Coburn, Steve Largent, John Shadegg, John Kasich, Lindsey Graham (!), and Sen. Phil Gramm. George W. Bush's initial budget director, Mitch Daniels, earns plaudits for pushing through the 2001 across-the-board tax cuts.

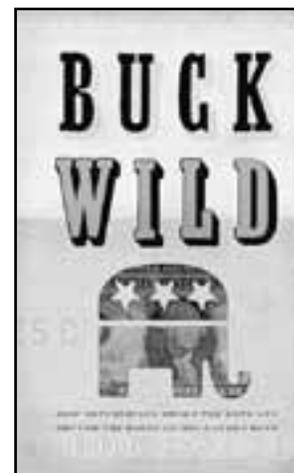
Odd as it may sound today, congressional Republicans welcomed Bush to Washington, convinced that he would have the fortitude to slash programs Congress wouldn't touch. It was as if lawmakers, who are given control of the purse strings by the Constitution, were crying, "Stop us before we spend again!"

Then came 9/11. And along with the ramped-up security spending in response to the attacks came a renewed desire to spend like crazy on programs that had no connection to security at all.

By the end of his first term, in inflation-adjusted dollars, Bush had increased per-capita domestic spending faster than any president since LBJ. The GOP House offered little resistance to the administration.

Buck Wild ends with the revolt over Hurricane Katrina relief by backbench conservatives, who were able to wrestle a 1-percent, across-the-board spending cut from Bush. This offered a rare but temporary glimmer of hope for the GOP, which had deteriorated from "the party of Goldwater and Reagan" to "the party of [TV huckster] Matthew Lesko."

Slivinski's book offers plenty of lessons for the dozens of newcomers who will take office in the 112th Congress: Don't go native. Remember who elected you. Best of all, rent in D.C., don't buy. CJ



Voegeli Shows That, For Liberals, There's Never Enough Spending

• William Voegeli, *Never Enough: America's Limitless Welfare State*, New York: Encounter Books, 2010, 280 pages, \$23.95.

By SAM A. HIEB
Contributor

GREENSBORO

Don't get me wrong. William Voegeli's *Never Enough: America's Limitless Welfare State* is an excellent book, not to mention a very important book as Republicans at both the state and federal levels seek to reverse two years of Democratic policies that have brought our country to the brink of insolvency.

But it's a difficult book to review because it tells conservatives something they've known for quite some time: There simply are never enough government entitlement programs to satisfy liberals, no matter the circumstances.

Voegeli sums it up himself as he takes *The New Republic* to task for writing in 2005 that "there's a compelling case for the government spending a great deal more money than it does now."

Voegeli counters the assertion "would be more persuasive if, during a century of publication — through recessions and booms, war and peace — *The New Republic's* editors had encountered even one set of circumstances that convinced them there was not a compelling case for the government to spend a great deal of money."

But though Voegeli's message is not necessarily a new one, it never hurts to be reminded of the motivations of one's adversaries, especially when conservatives are more determined than ever to reverse the damage they've done.

Much like Jonah Goldberg's *Liberal Fascism*, *Never Enough* delves

deeply into "progressive" intellectual thought over the last century. The usual suspects show up: Woodrow Wilson, the "most important progressive" who criticized the "blind worship" of the Constitution; Lyndon Johnson, whose Great Society aspired to free Americans from the "soulless wealth" that had engulfed the country; and, of course, Franklin D. Roosevelt, the father of the modern welfare state, who offered up a second Bill of Rights guaranteeing the right to — among other things — a job, shelter, and medical care.

Voegeli writes, "It's difficult to see how FDR's list should or even could be expanded, because it's hard to come up with candidates for the list of economic rights that FDR failed to mention."

Just as conservatives today might hold on to the long-gone notion that the 1936 presidential election still could be reversed, liberals have long held onto the equally fantastic notion that Americans still can get another New Deal.

Undeterred by the post-World War II economic boom, liberals set out on a course to redefine poverty at higher and higher levels of income and wealth that continues to this day.

Voegeli tackles the debate over taxing the "wealthy" head-on, just in time for the Congress to confront the scheduled expiration of Bush-era tax cuts in its lame-duck session.

For liberals, the math is easy: Tax

2 percent of the population in order to make the other 98 percent happy.

But remember the title of the book: *Never Enough*. Voegeli makes a solid case that liberals never will be satisfied in the levels of taxation applied to the rich, and when it becomes impossible to squeeze any more money from the wealthy, punitive taxes inevitably will be imposed on the middle class.

"The liberal 'principle' that people with higher incomes should pay higher taxes is as vague, flexible, and therefore, useless as every other liberal principle," Voegeli writes.

Never Enough, however, isn't just a diatribe against useless liberal principles. What about the guys on the other side of the aisle, the guys still hoping to reverse the 1936 election — or, for that matter, the 2008 election?

No matter how they've cried, cussed, and gotten red in the face, Voegeli faces the fact that conservatives have failed to retard the growth of government over the last 75 years.

More disturbing for conservatives, Voegeli tackles the myth that the hero of the conservative movement — Ronald Reagan — was a rousing success. (Full disclosure: I have a well-worn Reagan T-shirt sitting in my dresser.)

Voegeli seeks to understand "what did and did not happen in the Reagan era." What did happen was

that welfare state spending grew by less than 1 percent per year, an exceptional achievement compared to other presidents, but, as Voegeli notes, "it is still a positive number."

Reagan embarked on a "starve the beast" strategy, which is a variation on the "chicken or the egg" question. When hoping to rein in government, do you cut programs in the hope that lower taxes will follow, or do you reduce taxes in the hope that government spending will adjust accordingly?

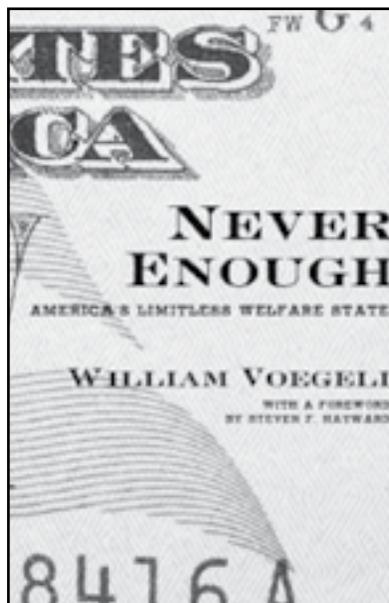
Reagan gambled on the latter, with the very modest increase in welfare state spending resulting in deficits. Advocates of supply-side economics eventually tabled cutting government programs, counting on new revenues flowing in, making cuts unnecessary.

Unfortunately, that strategy — which Voegeli describes as *National Review's* "Option A" — didn't pan out, resulting in the deficits that marked the Reagan era. In the end, Voegeli concludes, "conservatives lost the game but covered the point spread" during the Reagan era.

So what's the answer as the political tug of war continues? Should conservatives hold out hope that liberals ever will address the question of exactly what would be enough?

"Conservatives will have discharged a significant portion of their duty to protect our experiment in self-government if they can induce liberals to fulfill their duty by treating this question seriously — or make them pay a political price for refusing to," Voegeli concludes.

Based on what I've seen from liberals who've been in control of our country for the last two years, I would say the latter is the only option. November 2010 signaled a start; now it's time for conservatives to press on toward 2012. *CH*



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By John Hood
President of the
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COMMENTARY

Stick to the Plan, Man

Republicans won a majority in the North Carolina General Assembly for the first time in over a century because voters liked their message and believed their promises. Now the Republicans must prove they meant what they said and that they will do as promised. Voters are not interested in bait and switch.

In pre-election polling, creating jobs and improving the economy were the top priorities for voters. Improving education and health care also ranked high. Republican candidates ran on a platform of lower taxes, less regulatory burden on businesses, opposition to federal health care reform, and choice and accountability in education. Their message was clear. Voters understood it and bought it.

Now it's time to make good on those promises. The first order of business will be crafting a budget. The General Assembly will have \$3.2 billion less to spend than it had last year.

Some are calling this a crisis. It's not. Last year's \$20.6 billion budget was too big, anyway. For years, promises were made, programs were expanded, and entitlements extended when restraint and caution should have been used. Cuts will have to be made. Some services will be cut, eliminated, or consolidated, and some public-sector jobs will be lost.

The prior leadership should not have overextended, overspent, and overborrowed, but because of those unwise choices, the new leaders will have to make tough decisions. They will have to reduce government without tax increases, as promised. With folks out of work and family budgets stretched, North Carolinians are tapped out and ready to rein in government.

The second order of business will be redistricting, the biggest prize of the 2010 election. Democrats have gerrymandered districts to their advantage for years. Republicans shouldn't, and they won't have to.

The courts cleared much of the muddy waters that circled the

redistricting debates 10 years ago. The new lines will have to respect the federal Voting Rights Act, the whole-county provision, contiguous lines, and community common-interest requirements.

With 2.8 million registered Democrats and 2 million registered Republicans, a fair map should provide an equal playing field for all while ensuring that voters have a choice (and a voice) in most districts.

Republicans called for an independent commission to draw the maps while Democrats held the drawing pen. It was a good idea then and still should be pursued. There's not enough time to create an independent commission for the 2011 races, but Republicans should honor their promise and enact legislation for an independent commission right after the new maps become law.

Aside from the budget and redistricting, the new leadership should make good on other promises. Get the economy going and encourage companies to create jobs by refusing to raise taxes. Fight health care mandates from the federal government to keep Medicaid and health care costs down. Allow people to buy health insurance from other states to make in-state insurers compete and improve the quality of care. Protect small businesses from costly health coverage requirements to save jobs. Remove the arbitrary cap on charter schools to allow competition, and let parents decide what education options work best. Let good teachers teach, and pay them well. Purge the bureaucracy in education, and, while you're at it, clean out every state agency and consolidate government for efficiency and manageability.

That's the plan laid out during the election. It's the plan the voters bought, and it's what they want. Stick to the plan, man.

The 2012 election is right around the corner. CJ

Becki Gray is Vice President for Outreach at the John Locke Foundation.



BECKI GRAY



Tea Party Version 1.1

EDITORIAL

Gov. Easley, We Apologize

Immediately after former Gov. Mike Easley entered a guilty plea to a felony campaign finance violation, defense attorney Joe Cheshire portrayed the veteran politician and his family as victims. "I sure hope that the people that wrote articles and talked on television, insinuating corruption ... will fairly write that the investigation of this case ended with no finding of any corruption," he said. Cheshire also suggested that the media would have served the public better by remaining silent until the criminal investigation was concluded.

Cheshire did not dispute the information conveyed in any story. But in the spirit he offered his admonition, we feel it's important to apologize if our reporting left the impression that Easley was corrupt or sought special favors in office. Specifically:

- We apologize for reporting, in March 2006, that Easley failed to notify the Council of State that an applicant to run a state marina in Southport the governor was ushering through the approval process had renovated Easley's house.

- We apologize for reporting, in June 2006, that Easley got a sweetheart deal on a waterfront lot in the Cannonsgate development in Carteret County. We also apologize for reporting nine months later that a property tax revaluation showed the lot doubling in value. *The News & Observer* obtained the closing document last year and reported that Easley also received a 25-percent cash discount totaling \$137,000 at closing.

- We apologize for reporting, in March 2007, that then-Attorney General Easley got a real-estate bargain in 1996 for a house on Bald Head Island not long after the state settled a lawsuit protecting the island from coastal

erosion, boosting home values.

- We apologize for reporting, in June 2008, that Easley was using state aircraft for trips from Raleigh to his home in Southport and other personal business.

- We apologize for reporting, in July 2008, that First Lady Mary Easley got an 88-percent raise, to \$170,000 a year, for a job running a speakers' program at N.C. State University. We apologize for bringing this to light even though Mary Easley eventually was fired, and three top officials — Provost Larry Nielsen, Chancellor James Oblinger, and Board of Trustees Chairman McQueen Campbell — resigned under pressure after media reports showed that Mike Easley and Campbell quietly pushed N.C. State officials to hire her.

- We apologize for reporting, in October 2008, that for years Campbell and his father had been flying Easley for free to a number of campaign events that had not been reported in campaign disclosure filings.

- Finally, we apologize for reporting on the October 2009 State Board of Elections hearing at which Easley's campaign committee was charged with violating campaign laws for failing to account for \$87,000 in free flights from Campbell. The board issued a \$100,000 fine and made a criminal referral to state prosecutors, resulting in Easley's felony plea.

If we led readers to believe that the Easleys were not selfless public servants, focused on the best interests of the people of North Carolina, with no desire to use the perks and privileges of elected office for personal gain, please accept our heartfelt apologies. CJ

EDITORIALS

Two Barbells to Lift

Budget deficits and redistricting loom

Because there hasn't been a GOP legislature in North Carolina since the 1800s, the new Republican majorities have no shortage of initiatives to pursue in the 2011 legislative session.

But for all the pent-up demand to exercise legislative power on behalf of conservative causes, most of the heavy lifting during the 2011 session will be devoted to two massive barbells: the budget deficit and redistricting.

The fiscal challenge facing North Carolina is daunting. At a minimum, state revenues will fall short of planned state spending by more than \$3 billion. Depending on one's definition, the deficit could be described as \$5 billion or more.

While past Democratic governors and legislators were responsible for most of the reckless decisions that created the problem, Republicans won't find much political value in playing the blame game. They wanted power in Raleigh. Now they have it.

Having (properly) ruled out tax increases as the solution, Republicans now have the responsibility to help Gov. Bev Perdue enact a balanced 2011-13 budget. That means proposing or agreeing to billions of dollars in short-term budget savings, as well as structural budget reforms and a long-term plan for reducing North Carolina's tens of billions of dollars

in accumulated debts and unfunded liabilities.

That said, redrawing North Carolina's congressional and legislative districts may consume almost as much political and media attention as balancing the budget. The maps will define the political playing field for a decade. And they may well determine the fate of many sitting lawmakers.

We have long favored amending the North Carolina Constitution to reform our redistricting process — both to create a redistricting commission and to apply additional neutral rules to the resulting maps. But we don't have time to get maps in place before the start of candidate filing in early 2012.

Instead, GOP leaders should advance three pieces of legislation in 2011. First, they should enact new redistricting rules that telegraph their commitment to compactness and other neutral principles for drawing districts.

Second, they should enact new maps according to those rules. And third, they should enact legislation authorizing a referendum to write such rules, and a commission system, into the state constitution.

If the Republican legislature can lift both the budget and redistricting barbells over their heads next year, the rest of the session ought to be no sweat. *CJ*

Destruction Underway

Worst of ObamaCare are features, not defects

While left-wing advocates of nationalized health care weren't pleased when Congress stripped a Medicare-like universal "option" out of the ObamaCare legislation, they fought for passage of the bill nonetheless — recognizing that its provisions would hasten nationalization in the long run, even if it didn't accomplish the objective in the short run.

They understood that the new taxes and regulations in the bill would unravel the individual and small-group markets for health insurance, thus stopping the spread of consumer-driven health care.

They favor government rationing. So does their hero, Donald Berwick, just appointed as President Obama's top health care official.

Berwick wants the United States to use explicit rationing to carry out central planning of medical care. He says he is "romantic" about such poli-

cies, which favor "standardization to the best-known method" over "clinicians' autonomy as a rule for care." In other words, government officials get to decide who consumes what medical services — not doctors and their patients.

As for consumer-driven health plans based on patient incentives and competition, Berwick has nothing but disdain. "In the United States," he says, "competition is a major reason for our duplicative, supply-driven, fragmented care system." The uncertainty about whether such plans will be illegal after 2014 already has driven some insurers out of the market, reports *Health Care News*. Others may follow.

Such an outcome would rob millions of Americans of the choice to retain the current health care financing arrangements we prefer. For the Left, this is a feature of the plan, not a defect. *CJ*

COMMENTARY

Adjusting To Political Reality

As the new Republican majorities in the North Carolina General Assembly begin to sort out their leadership roles and priorities for the upcoming legislative session, the state's political class is still trying to take in the full import of the 2010 election cycle.

The political, business, and media culture of the capital city has been largely Democratic for decades. Although it should have been obvious to observers months ago that the GOP had a good chance of winning solid majorities in both the state House and Senate, political insiders had never accepted the evidence of their senses.

They had resisted the notion that North Carolina politics might take an unmistakable turn to the right. Now they have no choice but to adjust to it.

I think that embattled Gov. Bev Perdue was one of the few politicians in Raleigh not to be surprised or flummoxed by the Republican victory. She's been working with her advisers on a regulatory reform initiative, a radical reorganization plan for state government, and a 2011-13 budget that will close a multi-billion-dollar deficit without major revenue hikes.

All are longtime conservative causes. All are likely to attract significant Republican support in the legislature. And all will help reposition Perdue as a centrist for the 2012 election, should she choose that political route.

I am reminded of how nimble former Gov. Jim Hunt proved to be during his last two terms. Faced with a Republican House of Representatives for four of those eight years, Hunt tacked to the right on welfare reform, proposed larger tax cuts than GOP leaders had pitched, and supported the 1996 bill that authorized North Carolina's first charter schools.

Hunt was re-elected easily in 1996. Perdue knows this history well.

In many ways, however, the political situation facing the governor and the Democratic Party in North Carolina is far more challenging than that facing Hunt in

the 1990s. Republicans now have a veto-proof majority in the Senate and, at least on some issues, a veto-proof coalition in the House with a handful of fiscally conservative Democrats. Republicans hold several Council of State offices and a majority on the state Supreme Court.

At the local level, the 2010 elections proved to be a bonanza for

Republicans. According to analysis by the North Carolina Association of County Commissioners, Republicans appear to have picked up at least 55 commission seats as well as additional races for sheriff, clerk of court, and other offices. Going into the 2010 cycle, Democrats controlled 64 county commissions vs. the Republicans' 36. Now,

the balance is striking: 50 Democratic county boards, 49 Republican ones, and a conservative coalition in Jackson County that includes two Republicans and a new unaffiliated commissioner who will chair the board and ran on conservative issues with the backing of local Tea Party groups.

Republicans may have won the General Assembly convincingly, with nearly 60 percent of the statewide vote, but Democrats still enjoy a 7-6 majority in the congressional delegation, control most of the power in the executive branch of state government, and retain a strong set of operatives, fundraisers, and power players within the state's establishment. And those county results signal the arrival of *parity* — not of some inevitable GOP ascendancy.

Republicans now have a responsibility to deliver on the promise of open, honest, conservative governance. Closing big budget deficits without raising taxes will require some tough decisions. So will reforming North Carolina's mediocre public-sector monopolies in education and other services.

But the Democrats obviously have the harder challenge. It begins with accepting a basic truth: Raleigh is no longer a Democratic town. *CJ*

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Recession Boosts National Parks

The number of people visiting national parks has spiked during the Great Recession. That highlights the need for an overhaul of the way national parks operate, writes Laura E. Huggins of the Hoover Institution in the *Los Angeles Times*.

National parks and other facilities managed by the National Parks Service attracted 285 million visitors in 2009. That's up 3.9 percent from 2008, when the parks had 275 million visitors. The all-time attendance record is 287.2 million, set in 1987.

Supporters have hailed the 2009 figures as a sign of how much Americans value national parks.

"But relying on recessions and depressions to boost park attendance is a bad business model," says Huggins. "[N]ational parks can't compete against other venues in good times; they can only compete when Americans don't have jobs or money. Moving parks closer to self-sufficiency would ensure their viability in the good and the bad times."

National parks suffer perpetually from underfunding. Despite federal stimulus money, national parks still have an \$8 billion backlog of maintenance and preservation projects.

To restore the fiscal stability of the parks, Huggins urges an expansion of the Fee Demonstration Program. This lets revenues generated at specific parks stay at the park, rather than being turned over to the Treasury Department. The parks service also should initiate benefits-sharing agreements with businesses doing research in the parks, so that some profits generated from the research go toward park maintenance.

Job export claims

Election season brought the usual claims that certain candidates favor "tax breaks for corporations that ship U.S. jobs overseas." This is a bogus claim, writes Daniel Griswold, director of the Cato Institute's Center for Trade Policy Studies, in the *New York Post*.

Under current law, U.S. corporations aren't taxed here on money their foreign subsidiaries make until the profits return to the U.S. This, it is argued, amounts to "shipping jobs overseas."

In reality, U.S. companies have perfectly legitimate reasons for operating overseas. It's a major way they bring their products to foreign customers. Foreign affiliates of U.S. companies sold \$6 billion of goods in 2008, three times the value of U.S. exports. Nearly 90 percent of what these affiliates produce is sold abroad. And U.S. manufacturing companies invest far more in Europe (\$30 billion a year) than China (\$2 billion a year).

Foreign companies invest far more in their U.S. affiliates than U.S. companies invest in their foreign affiliates. Between 2005 and 2009, foreign manufacturers invested an average of \$87 billion a year in their U.S. affiliates, while U.S. companies invested an average of only \$45 billion a year abroad, Griswold notes. *CJ*

NOW HERE'S A SCARY SCENARIO



Facing Economic Realities

The election is over, and there have been shake-ups in both Washington and Raleigh. There will be many new faces in the U.S. Congress and the North Carolina General Assembly.

Many voters were unhappy this year, and this unhappiness had a big impact on their votes. Voters' displeasure focused around three areas: the economy and jobs, government spending and debt, and taxes.

So what can our new leaders do about this discontent, especially in these areas? Unfortunately, there are some economic realities that may either limit what may be done or present unpleasant alternatives for change.

- **The Economy:** While "officially" the recession is over — because we have seen an increase in the productive output of the economy since June 2009 — the pace of economic growth has been anemic. Job improvements have been agonizingly slow. A significant part of the decrease we've seen in the unemployment rate is simply a result of jobless workers dropping out of the labor force and no longer being counted as unemployed.

What's holding back job creation? Is it the fear of public debt and taxes? Is it lack of confidence by consumers? Or is it something to do with what the recession did to household finances?

Although a case can be made for each, I — and many other economists — pick answer No. 3. The recession devastated household wealth, destroying \$15 trillion of net asset values at its peak, and this wealth is just beginning to return. Households entered the recession with record levels of debt (supported by the record levels of wealth).

However, with wealth down, households have been forced to pay down debt and save more. What's left out is household spending. Household spending will not return to prerecession levels until debt is reduced. Yet since our economy is driven largely by household spending, frugal households translate into slow economic growth. The deleveraging process likely has another two to five years to proceed.

- **Government Spending and Debt:** It's been

the norm in recent decades for federal spending to exceed revenues and, therefore, for the national debt to increase. In only eight years since World War II has the federal government not needed to borrow to pay its bills.

But the spending and borrowing accelerated in recent years. Since 2007 almost \$4 trillion has been added to the national debt. However, most of this was due to the recession. Federal tax revenues always fall and spending always rises during recessions.

Yet once recessions end, government red ink narrows. Indeed, the Congressional Budget Office projects the annual budget deficit will shrink from \$1.4 trillion this fiscal year to \$900 billion next year and to \$750 billion the year after. This happens because tax revenues improve when the economy grows, and special anti-recessionary spending, like the stimulus plan, end.

But we'll still have a government spending and debt problem, just as we've had one for most of the last 50 years. The cause won't be the recession; instead it will come from demographic and other forces causing some government programs to expand — specifically the "big three" of Social Security, Medicare, and Medicaid. This creates a problem for elected officials, because these are popular programs helping the elderly and the poor. Changing them will be extremely difficult.

- **Taxes:** One recommendation heard during the political campaigns is that reducing tax rates is a way of stimulating the economy. Economists have two "qualifiers" to offer for this plan. While reducing tax rates may motivate more private spending and job creation, if the reduced taxes mean lower spending on public goods valued by businesses — like infrastructure — then economic growth may stall.

But some claim reducing tax rates ignites so much growth that tax revenues actually rise. Economists have thoroughly studied this claim and have concluded it usually only happens if tax rates are at a high level — generally above 60 percent. Otherwise, tax rate cuts reduce public revenue.

So don't look for any "easy button" to relieve our pressing public problems. *CJ*

Michael Walden is a William Neal Reynolds Distinguished Professor and Extension Economist at North Carolina State University.



MICHAEL WALDEN

Tar Heel State Now a Bit Redder

Nov. 2, 2010, certainly was a great day for Republicans in North Carolina. As the national party took back control of the U.S. House and Sen. Richard Burr strolled to re-election, both bodies of the General Assembly fell out of Democratic hands for the first time since 1898. The number of seats picked up was quite remarkable. Republicans enjoyed a net gain of 11 seats in the Senate and increased their representation in the body by more than 50 percent. In the House, a 68-52 Democratic majority was reversed completely.

The one sour note was struck in U.S. House races. While the party picked up more than 60 seats across the country, it squeaked out a gain of just one here — a victory for Renee Ellmers over incumbent Bob Etheridge in the 2nd District. The starkness of this “failure” becomes clear when you realize that in states including New Hampshire, Ohio, Michigan, Wisconsin, Illinois, Pennsylvania, Missouri, Kentucky, and West Virginia, a majority of the U.S. House delegation is now Republican. This is also



**ANDY
TAYLOR**

the case in every state in the South but ours. Like New Jersey, we will be sending seven Democrats and six Republicans to Washington to serve in the House of the 112th Congress.

Why did North Carolina Republicans perform relatively poorly in these races? A popular explanation within the party is that U.S. House districts in North Carolina are gerrymandered to maximize Democratic seats. The redrawing of district lines after the 2000 census was led in the General Assembly by then-Democratic state Sen. Brad Miller. Miller not only carved out the new 13th District for himself but also greatly improved the odds that Democrats would dominate our House delegation for the entire decade.

The gerrymander argument does not hold much water, though. To maximize the number of seats its party will win in an election, state legislators should concentrate voters who identify with opponents in a few districts and spread their supporters out efficiently over a sizeable number of them. The goal is to win many seats by a little and lose a few by a lot.

Given that the 2008 presidential election in North Carolina was essentially a tie — Barack Obama beat John McCain by a statistically insignificant 14,000 votes — a Democratic gerrymander would be revealed by a large number of congressional districts won

by Obama. In fact, McCain won seven, and Obama won six.

Something else explains how congressional North Carolina Democrats beat back the Republican tsunami last month. I believe it was their capacity to demonstrate independence from an unloved and out-of-touch national Democratic leadership. Reps. Mike McIntyre and Heath Shuler were particularly adroit at this. Both explained that, if re-elected, they would not vote for Nancy Pelosi to be returned as Democratic leader.

Indeed, Shuler declared himself a rival candidate for the position of minority leader in the new Congress. This campaign failed, but Shuler did land the top post of the moderate Blue Dog Coalition.

Shuler voted against the stimulus and ObamaCare and took conservative positions on issues like gun control. McIntyre opposed financial regulatory overhaul and the cap-and-trade environment-energy bill, as well as health care reform.

It is particularly telling that Etheridge was the only Democrat to lose. Etheridge voted for the stimulus, health care, and cap and trade. He also voted in 2009 to allow the Food and Drug Administration to regulate tobacco, a particularly controversial vote for a district that grows more of the stuff than just about any other in the nation. The video of Etheridge

confronting a man on the D.C. streets didn't help, either.

What are the lessons for Republicans from all this? The first is that because they have a megaphone, members of Congress, unlike state legislators, are able to frame the narrative of a campaign.

Shuler, McIntyre, and Rep. Larry Kissell had money and the attention of the media. They could explain their votes and detail their independence from Pelosi and the Obama administration. State legislators, on the other hand, have few resources to be heard over the din of a national campaign. They largely live or die on their party label.

The second lesson is that, although Democrats are hurt, the wound is far from mortal. After all, Democratic House members were falling all over the country, but they largely stood strong here.

I thought it was particularly interesting that Kissell did not do that much worse than last time and McIntyre quite comfortably held on to a seat won by McCain two years ago. North Carolina certainly turned more red last month. But you can still make out some purple. *CJ*

Andy Taylor is Professor of Political Science at the School of Public and International Affairs at N.C. State University.

An Opportunity to Rebuild America

By any metric, 2010 was a landmark election.

Voters viscerally rejected the bailouts of Wall Street and the car companies, Washington's takeover of the health care system, the growth and intrusion of the federal government, and the massive debt that President Obama and his allies in Congress piled on the American taxpayer.

No matter how the Democrat operatives spin it, this was a huge defeat for Obama.

Middle America woke up and understood that Obama's rhetoric did not match his extreme left-wing legislative agenda.

His policy prescription of big spending and “shovel-ready jobs” did not translate into economic security for the average family.

In fact, Obama's economic policies caused and continue to cause

doubt and uncertainty around the kitchen table and within the business community.

The national debt is approaching \$14 trillion and, according to the non-partisan Congressional Budget Office, by the end of the year will equal 62 percent of the nation's economy.

To be fair, there is plenty of blame to go around when it comes to the economic crisis in which America finds itself today.

Both parties have been fiscally irresponsible for decades and have kicked the can down the road when it came to long-term reform of entitlements and the expansion of government programs.

Many in the conservative community did not consider George W. Bush a fiscal conservative.

Conservatives by and large were not pleased with “No Child Left Behind” and the Medicare prescription drug plan — both major parts of George W. Bush's legislative agenda and passed with the help of a Republican Congress.

Those policies and similar ones helped to defeat the Reagan/Gingrich majority in Congress in 2006, resulting

in a unified Democratic government with Obama's election in 2008.

Obama and his allies in Congress interpreted the 2008 election as a mandate for big government.

In this election, Obama's big-government agenda and European model for governing were rejected out of hand by the American public. Republicans find themselves partially back in the driver's seat.

Congressional Republicans now have the opportunity to rebuild America's economy and to restore trust between the people and their elected representatives.

Bold action and blunt talk will be required. Putting a two-year hold on earmarks is a good symbolic start. Making the current tax rates permanent would help end uncertainty for families and for businesses. Transparency and open government also will be essential.

America faced a similar economic situation after World War II. We had tremendous debt due to the war and great economic uncertainty. The Greatest Generation returned and rebuilt America.

The Greatest Generation inherently believed in the promise of Amer-

ica and in the free-market system.

They understood that to achieve success you must take risks and that you might fail. Those who returned after World War II did not ask for handouts or bailouts. All they asked for was an opportunity to succeed.

As our new team reviews the countless government programs and regulations that are currently in place, perhaps this should be the key question: Are they essential, and do they contribute to the long-term growth of the American economy? Or are they an impediment?

If they are not essential and an impediment to growth, then they should be eliminated.

America has always been about opportunity, risk, and reward. That economic environment needs to be created again. *CJ*

Marc Rotterman worked on the national campaign of Reagan for President in 1980, served on the presidential transition team in 1980, worked in the Reagan administration from 1981-84, is a senior fellow at the John Locke Foundation, and is a former member of the board of the American Conservative Union.



**MARC
ROTTERMAN**

Gov. Perdue Decides to Stay in Touch With the TSA (a CJ parody)

BY TOUCH E. FEELEY
Travel Correspondent

RALEIGH

In contrast to the growing public outcry over enhanced security screenings at commercial airports, Gov. Bev Perdue has embraced them.

As she prepared to board a commercial airliner for a Nov. 18 campaign fundraiser in New York City, Perdue requested that Transportation Security Administration officials at Raleigh-Durham International Airport give her both the full-body scan and the enhanced pat-downs.

The New York event was hosted by billionaire Ron Perelman, whose financial interests include lottery vendor Scientific Games.

In the past 10 years, Perdue has relied primarily on privately owned aircraft for her air travel. A close aide, who didn't want to be identified, told *Parting Shot* that after her extensive use of private aircraft, Perdue decided she should subject herself to the same hassles as regular citizens.

The TSA screener who handled Perdue was Bashira Gomez. Gomez spoke exclusively with *PS* about the experience.

PS: Ms. Gomez, did you recognize Gov. Perdue when she arrived at your duty station?



TSA screener Bashira Gomez puts on rubber gloves in preparation to pat down Gov. Beverly Perdue at Raleigh-Durham International Airport (Spoof photo by Bashira's friend George)

Gomez: No, but the others traveling with her seemed to be pampering her, so I thought she was someone important. After I heard someone say "governor," I recognized her.

PS: What happened next?

Gomez: She proceeded to the full-body scanner like everyone else. Once I knew who she was, I made sure we got plenty of images. I got an agreement with Joey in the viewing room. After five minutes in the scanner, we had plenty of images. Joey didn't see

nothing weird, so we released her.

PS: And then?

Gomez: The lady said, "National security and jobs are my top priorities. Bring on the pat-down." So I put on a fresh pair of rubber gloves and got to work.

PS: What was her demeanor during the pat-down?

Gomez: For the first five minutes, she was cool and cooperative. Then she got a little fidgety.

PS: So how long was the pat-

down process?

Gomez: I am not sure, but it was long enough for my friend George to take a photo of me doing the pat-down. He got too close and missed my face. You can only see my hands.

PS: Anything else?

Gomez: Oh, yeah. That dummy Joey came out of the screening room with a paper copy of Perdue's body scan. Our supervisor has warned Joey about bringing his portable printer to work. Then Joey asks her to autograph it for him.

PS: Did she?

Gomez: You bet. She then said that if all travelers selected both the pat-down and the full-body scan, it would create more jobs in North Carolina. That's one smart lady.

When she returned to RDU, Perdue issued a press release announcing a new program creating 700 TSA screening positions across North Carolina.

"The people of North Carolina appreciate how intimately Transportation Security Administration employees are connected to passenger safety," Perdue said. "This new program shows that we're willing to let it all hang out to protect air travelers who visit our state." *CJ*

E.A. MORRIS

FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2011 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is December 31, 2010. Please visit the E.A. Morris Fellowship Web site (www.EAMorrisFellows.org) for more information, including eligibility, program overview and application materials.

Eligibility

- Must be between the ages of 25 and 40.
- Must be a resident of North Carolina and a U.S. citizen.
- Must be willing to complete a special project requiring leadership and innovative thinking on a local level.
- Must be willing to attend all program events associated with the fellowship.
- Must not be the spouse of a current or past Fellow.

Fellowship Dates

March 18-20, 2011: Retreat 1- Pinehurst, NC
June 10-12, 2011: Retreat 2- Blowing Rock, NC
October 14-16, 2011: Retreat 3- Coastal NC

Application Timeline

December 31, 2010: Applications due
January 10, 2011: Notify finalists
February 5-6, 2011: Selection weekend
December 24, 2011: Final project due



www.EAMorrisFellows.org
Contact Ashley E. Sherrill | asherrill@eamorrisfellows.org