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Parton Project Attracts Political Firepower

N.C. heavy hitters
sucked into vortex
of troubled project

By DON CARRINGTON
Executive Editor

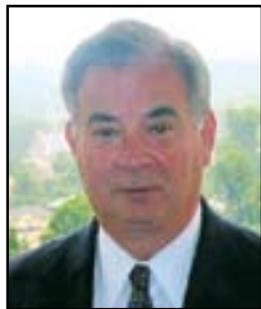
ROANOKE RAPIDS

The Sanford Holshouser law firm, founded by two former governors, is emerging as a key player in developments surrounding the Randy Parton Theatre in Roanoke Rapids. Adding to the political firepower attracted by the troubled project, the two leading Democratic candidates for governor have made the theater's problems a campaign issue.

The city built the theater and turned it over to Parton to operate earlier this year, but the relationship turned sour and Parton's affiliation with the theater is likely over after he was prevented from performing recently by city officials who said he was impaired before a performance.

Ernest C. Pearson, founding partner of The Sanford Holshouser Business Development Group, was the lawyer for the state commission that recruited Randy Parton, while also was a lawyer for Parton and his newly formed company Moonlight Bandit Productions in his negotiations with Roanoke Rapids. Pearson said that he had no conflict of interest in representing Parton and the commission because "Parton had no relationship with the Northeast Commission."

Rick Watson, CEO of both organizations until March 21, 2006,



Ernest C. Pearson, of the Sanford Holshouser law firm, was a lawyer for Parton while at the same time representing the state agency that recruited Parton.



The Randy Parton Theatre beckons I-95 travelers with signage advertising the Carolina Christmas show. (CJ photo by Don Carrington)

has publicly taken credit for recruiting Parton to North Carolina in 2005. Watson acquired a 33 percent equity interest in Moonlight Bandit on or before March 2, 2006, according to documents.

Billing records and other documents obtained by *Carolina Journal* show that Pearson began performing legal work for Parton as early as January 2005. At that time Pearson was also the lawyer for the Northeastern North Carolina Regional Economic Development Commission and its related organi-

zation, North Carolina's Northeast Partnership. Those organizations terminated their relationship with Pearson in March 2006.

Pearson was Assistant Secretary of Economic Development for the North Carolina Department of Commerce from 1989 to 1993. He joined the Cary-based Sanford Holshouser law firm in 1993. According to his bio on the firm's Web site, Pearson's "experience makes

Continued as "Parton," Page 2



Randy Parton speaks with reporters after Roanoke Rapids officials refused to let him go on stage on Dec. 6. (CJ photo by Don Carrington)

Dolly Parton Comes To Brother's Defense

ROANOKE RAPIDS — Dolly Parton released a statement Dec. 11 saying her brother Randy is "being crucified in the press" and has become a "scapegoat" for the city's troubled theater project.

Pete Owens, Media/Public Relations Manager for The Dollywood Companies in Pigeon Forge, Tenn., released the statement from Dolly Parton concerning her brother.

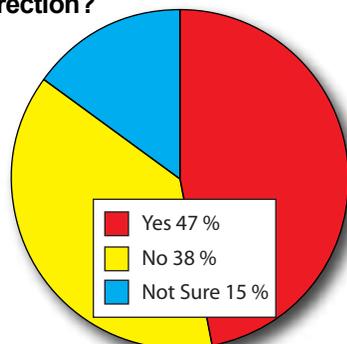
"I have been involved with a lot of blessed projects but sometimes things are just not meant to be," her statement reads. "We will probably never know the whole story, whether it was the feasibility study, the show, the promotion, the marketing, or a combination of all of these things."

She said, "It breaks my heart to see my brother, Randy, being crucified in the press when his intentions from the beginning have been to do the best job he could at what he was asked to do."

Her brother had a "very successful show" for years at Dollywood and when "he was offered

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Do you feel things in North Carolina
are heading generally in the right
direction?



John William Pope Civitas Institute Poll, Nov. 2007

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Parton Project Attracts Political Firepower

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him exceptionally well suited to work with companies considering new business locations, expansions, restructuring financing and international business dealings."

He started the related Sanford Holshouser Business Development Group in 2000. Former Democrat Gov. and U.S. Sen. Terry Sanford, and former Republican Gov. James Holshouser, started that firm. Sanford died in 1998, but Holshouser is still involved in the practice.

Documents obtained by *CJ* show that Pearson obtained a 3 percent equity interest in Parton's company on or before March 2, 2006. Pearson told *CJ* that his becoming a part owner of the company did not create a conflict of interest. He said he did not ask for the equity interest, but it was given in exchange for legal work.

He said that he terminated his relationship and financial interest with Moonlight Bandit Productions in 2007 for "business and ethical" reasons, explaining that clients sometimes want to change lawyers, and saying he wanted to help Parton facilitate the change. When asked why the project had failed, he said that since he and Parton had parted he had not followed the matter, and thus did not know.

In September 2005, city funds advanced to Parton's company were used to pay \$65,000 in legal fees to Sanford Holshouser.

Pearson said that the legal fees charged Parton to set up Moonlight Bandit Productions and to negotiate with Roanoke Rapids were a reasonable cost of recruiting Parton to North Carolina and were the responsibility of the Roanoke Rapids taxpayers.

In early December, *Carolina Journal* asked the Northeast Commission for access to all records of payments to Watson and Pearson from 2004. Commission Communications Director Anita Johnson said Dec. 19 that commission officials are working on the request but it would be after January before they could make the records available.

After Parton opened the 1,500-seat theater in July, city officials became concerned with low attendance, the lack of advertising and the lack of any other acts. In September, city officials negotiated a new contract with Parton that significantly reduced his role as manager and lead performer.

They also cut his pay from a guarantee of \$750,000 annually, to \$250,000 per year for five years.

On Dec. 6, Roanoke Rapids Mayor Drewery Beale and other officials claimed Parton was intoxicated and sent him home prior to his scheduled evening show.

The city has since hired a lawyer and is expected to try to get out of paying Parton any further funds. City officials do not expect him ever to perform at the theater again. On Dec. 18 singer Charlie Daniels and his band played to a packed house at the facility, but Daniels made no mention of Parton and the surrounding controversies.

Before Roanoke Rapids borrowed \$21.5 million to build the Parton Theatre, the city needed the approval of the Local Government Commission. State Treasurer Richard Moore is chairman of the commission, and employees in his office are commission staff. The approval process for the Parton project began in spring 2005.

Lt. Gov. Beverly Perdue, who will face Moore next year in the Democrat primary election for governor, recently

criticized Moore for approving the project. In response to the criticism, Moore pointed out that two members of the commission are Perdue political supporters.

One of those, Winston-Salem Mayor Allen Joines, is upset that his role on the commission has turned into an issue for Moore's political campaign. Joines sent a letter Dec. 18 to Moore at the treasurer's office criticizing Moore's campaign for saying that all members of the Local Government Commission had full information regarding the Parton project.

"I regret that I must communicate in this formal way but because your campaign has chosen to reference me and my role on the N. C. Local Government Commission, I am sending this letter," he said. "To have your campaign imply that the voting members of the Local Government Commission had all the facts on this project and therefore their approval in some way validated your involvement is at best disingenuous."

Joines said that after media reports suggested commission members did not have all the facts when approving the project, he confirmed that through Vance Holloman, Deputy Treasurer for State and Local Government.

He said he chose not to make the issue public at the time because his service on the commission was separate from his support for any candidate.

"I am therefore disappointed that your campaign has chosen to not act in a similar manner," he said. He closed by offering to discuss the issue with Moore and requested that all data on the project be shared with the commission members.

Calls seeking comment from Sara Lang, Moore's spokeswoman at the treasurer's office, were not returned. *CJ*



The Roanoke Rapids City Council got more than it bargained for when it made a deal with Parton. Left to right: Ernest Bobbitt, Jon Baker, Reggie Baird, Mayor Drewery Beale, Carl Ferebee, and Ed Deese. (*CJ* photo by Don Carrington)

Apparent Conflicts of Interest Engulf Theater Project

By DON CARRINGTON

Executive Editor

RALEIGH

Many of the individuals, agencies, and organizations that pushed the Randy Parton Theatre project were so intertwined that it became a minefield of potential conflicts:

- Roanoke Rapids Mayor Drewery Beale served on the board of directors for the Northeast Partnership when his subordinates — Partnership CEO Rick Watson and Partnership Wake County lawyer Pearson — began working with Parton. On behalf of the city Beale signed the June 2005 agreement with Parton and his newly formed company Moonlight Bandit Productions. After the partnership dissolved, House Speaker Jim Black appointed Beale to the Commission board in September 2006.

- Pearson began billing Parton for “corporate formation and representation” legal work on or before January 2005. Pearson was also the lawyer for the Northeast Commission/Partnership, the organizations that recruited Parton to come to North Carolina. He represented Parton in negotiations with Roanoke Rapids for a contract signed in June 2005. Pearson collected \$65,000 in legal fees from a city payment to Moonlight Bandit in September 2005. On or before March 2, 2006, he acquired an ownership interest in Moonlight Bandit and established himself as the registered agent. The Commission/Partnership organizations terminated Pearson as legal counsel on March 21, 2006.

- Watson, a state-funded economic developer,



Roanoke Rapids Mayor Drewery Beale speaks with reporters after city officials asked Randy Parton not to perform on Dec. 6. (CJ photo by Don Carrington)

traveled throughout northeastern N.C. in 2004 and early 2005 with Parton looking for a community to host

and finance a theater project. On or before October 2005 Watson was directing funds advanced to Moonlight Bandit by Roanoke Rapids. He had an ownership interest in Moonlight Bandit on or before March 2, 2005. The Commission/Partnership terminated Watson's contract on March 21, 2006.

- Manteo Developer Ray Hollowell was on the Northeast Commission when he negotiated a “binding letter of intent” to be the key development partner” with Parton in “bringing high quality musical entertainment and affiliated mixed use entertainment district developments to northeastern North Carolina.” The agreement stipulates that Hollowell pay \$50,000 to a company controlled by Parton and Pearson upon signing the document.

- Halifax County Tourism Director Lori Medlin was on the Northeast Commission while she pursued and then obtained control of \$500,000 in state funds to market the Parton Theatre. Her husband, Gary Medlin, later became a contract employee of Moonlight Bandit. Medlin also used her public agency computer to solicit attendees for a June 2007 Richard Moore fund-raising event in Halifax County.

- Randy Parton paid his daughters Tevor and Heidi Lou with public funds in or before August 2006. Parton frequently failed to distinguish between expenses for his company and expenses for the theater operation. In November 2007 he entered into a contract with an accounting firm to prepare his business income tax filings for the years 2006 and 2007. City officials took over that contract in November 2007 because they mistakenly believed it was a theater expense. CJ

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The Meek Deck is the JLF's blog in Charlotte. Jeff Taylor blogs on this site and has made it a must-read for anyone interested in issues in the Queen City: <http://charlotte.johnlocke.org/blog/>



Squall Lines is the JLF's blog in Wilmington. A group of JLF staffers and coastal friends keep folks on the coast updated on issues facing that region of the state: <http://wilmington.johnlocke.org/blog/>



Piedmont Publius is the JLF's blog in the Triad. Greensboro blogger and writer Sam A. Hieb mans the controls to keeps citizens updated on issues in the Triad: <http://triad.johnlocke.org/blog/>



The Wild West is the JLF's blog in Western North Carolina. Asheville's Leslee Kulba blogs in this site, designed to keep track of issues in the mountains of N.C.: <http://western.johnlocke.org/blog/>

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Dolly Parton Defends Brother

Continued from Page 1

the opportunity to go outside and do his own thing, naturally he jumped at the chance. Almost every performer I know dreams of developing his or her own theatre and developing their own show,” she said.

She said it's “not fair making Randy the scapegoat for a project where so much and so many were involved.”

“I was there for the ribbon cutting ceremony and met a lot of great people from the area,” she said. “I hope they will move forward, forgive each other and create something else that will benefit everyone.”

Dec. 6, when Randy Parton was not allowed to perform by city officials who said he was impaired, was not the first time Randy Parton has had problems involving alcohol. According to a story in *The Mountain Press* of Sevierville, Tenn., Parton was stopped in September 1991 by a Gatlinburg police officer who observed Parton driving erratically.

The officer testified that Parton took a swing at him and that he had to push Parton to the ground to subdue him. Parton claimed that he failed a field sobriety test because a knee injury received during the scuffle with the officer made him appear drunk.

The paper also reported that “included in the evidence against Parton was a mug shot of Parton taken at the Sevier County Jail that showed him making an obscene gesture at a jailer.”

Parton was charged with driving under the influence but pleaded not guilty, and the case went to a jury two years later. The jury convicted him.

Four years later, in January 1995, while an employee of Dollywood amusement park in Pigeon Forge, Parton ran afoul of the park's management. A letter obtained by CJ outlines the park's concern with Parton's behavior.

“You will never again be on Dollywood property in an intoxicated condition,” Dollywood Vice President of Entertainment Patricia Morinelli wrote to Parton. “I cautioned you on one incident and there have been others which have come to my attention after the fact. Any further incident will result in immediate dismissal whether or not you are on the clock.”

Morinelli also warned Parton to refrain from “verbal abuse of any Dollywood employee working with you on any project and this includes your abuse to me personally, and to other Dollywood management. This abuse includes bad language and sexually harassing remarks and gestures.” The letter was copied to Dolly Parton.

Several weeks ago CJ sent the letter to Pete Owens, the Dollywood media relations manager. He acknowledged receiving it but would not comment on it. He did not deny that it was authentic. CJ also sent a copy of the letter to Randy Parton and asked for comment. Parton did not respond. CJ

— DON CARRINGTON

CCS Consultant Admits Report Had No Cost-Benefit Analysis

By PAUL CHESSER
Associate Editor

RALEIGH
A consultant to North Carolina's Climate Action Plan Advisory Group on Oct. 23 acknowledged that his organization has conducted no cost-benefit analysis of recommendations CAPAG made to a special legislative commission on global warming.

State Sen. Robert Pittenger, a Charlotte Republican and member of the Legislative Commission on Global Climate Change, questioned Tom Peterson of the Center for Climate Strategies, who is advising CAPAG, during a 3 1/2-hour meeting at the General Assembly complex. Pittenger, in a phone interview following the meeting, criticized the lack of a cost-benefit review of what CAPAG's recommendations — which would ostensibly lower greenhouse gas emissions — would do to the state's economy.

"I think it's ludicrous," Pittenger told *Carolina Journal*. "[A cost-benefit analysis] should be part of the process. Without that, we haven't served the public well. We need to know what the costs are in energy and raising taxes, and we need to know the benefits of all the 56 recommendations."

CCS measures benefits only in the amount of carbon dioxide emissions reduced and the cost for their elimination. No effect on the climate; on net carbon dioxide left in the atmosphere; or on economic impact, is measured.

In a question-and-answer session following a presentation by Peterson, Pittenger asked about CCS's analysis, funding sources, and credentials. CAPAG has produced 56 policy recommendations to help lower carbon dioxide

emissions in North Carolina, and CCS provided all the options that the panel studied.

Peterson denied that environmental interests such as the Rockefeller Brothers Fund and the Z. Smith Reynolds Foundation, which paid for nearly three-fourths of the cost of the CAPAG process, were promised any favorable results.

"The work we did in this process was structured to support the goals of [the Department of Environment and Natural Resources]," Peterson said. The N.C. Division of Air Quality determined in 2005 that greenhouse gases (mostly carbon dioxide) created by human activity are the primary cause of global warming, and established CAPAG to study reduction of those emissions.

Pittenger also inquired about the credentials of the consultants CCS uses (CCS has none of its own employees, according to its most recent tax return), asking whether they had any economists. Peterson answered that they had many, "including myself."

But afterward, Pittenger was angered to learn that Peterson's biographical information on two Internet sites showed no higher-education degrees in economics.

"I think his statement was deceptive and not a straightforward answer," Pittenger said. "As a result of his unwillingness to state the truth regarding his background, that discounts the work of

"I think his statement was deceptive and not a straightforward answer."

State Sen. Robert Pittenger reacting to testimony by Tom Peterson of the Center for Climate Strategies

CCS."

On CCS's Web site, Peterson lists a B.S. degree in biology from the College of William & Mary; a Master of Environmental Management from Duke University; and an MBA from the University of Texas at Austin. His work history includes positions

with the Environmental Protection Agency as an "economist with the...Office of Transportation and Air Quality" and as an "economist with EPA's Water and Agriculture Policy Division."

However another biographical sketch of Peterson at the Pennsylvania State University Web site, where he is listed as an adjunct professor at the Dickinson School of Law, does not mention his role as an economist for the EPA. A job advertisement for various positions of "economist" at the EPA requires a doctorate in economics, which Peterson apparently does not possess.

"Benefit-cost analysis skills and research experience in environmental, natural resource, agricultural, or related applied microeconomic fields are required," the EPA job posting says.

An email to Peterson and a message left at the CCS office in Pennsylvania, inquiring about his background, were not returned.

Following Peterson at the legislative committee meeting was a presentation by David Ponder, a graduate research assistant in the political science department at Appalachian State

University. CCS subcontracted for the Energy Center at Appalachian State to conduct a "macroeconomic analysis" on CAPAG's recommendations.

Ponder cited, in what CCS and the Division of Air Quality emphasized were preliminary findings, that the bulk of CAPAG's recommendations could produce more than 328,000 net new jobs by the year 2020. Ponder said the study was patterned after the N.C. Energy Scenario Economic Impact Model, which was developed two years ago for the N.C. Energy Policy Council.

Pittenger also questioned Ponder's ability to carry out a credible economic analysis, given his political science emphasis.

"They don't have people who are credible to speak to the cost-benefit analysis of the issue," he said.

Prior to the meeting of the Legislative Commission on Global Climate Change, Pittenger co-hosted a press conference with the John Locke Foundation that emphasized a peer review of CCS's economic analysis methodology in other states, written by the Beacon Hill Institute at Suffolk University in Massachusetts. The Locke Foundation publishes *Carolina Journal*.

At the press conference Pittenger criticized how little attention the legislative commission has paid to climate science, noting that only two of about 75 experts called to testify before the commission have been climate scientists.

"It's been a defense for the anthropogenic cause," he said of the legislative commission process.

Later he added, "We've got a bunch of liberal greenies who have just enough information to be dangerous." CJ

N.C. Forestry Leader Sees Environmental Upside

By PAUL CHESSER
Associate Editor

RALEIGH
A member of North Carolina's Legislative Commission on Global Climate Change said on Dec. 3 that recommendations coming from a study group could potentially help his industry, but he is concerned that no cost-benefit analysis is being conducted on the options under consideration.

Robert Slocum, Jr., executive vice president for the North Carolina Forestry Association, said while he does not agree with the current presumptions that global warming will continue and eventually harm the earth and its inhabitants, he believes some ideas coming from the N.C. Climate Action Plan Advisory Group are worthwhile. He spoke at a luncheon at the John Locke Foundation.

"Use the ones that make sense," he said, "that make economic and environmental sense, regardless of

climate change — rather than joining the lemming rush over the cliff in the name of CO₂."

He said among the recommendations that fall into that category are the improvement of forestry management, the preservation of forested lands, and the reforestation of lands. Trees and wood sequester carbon dioxide, a greenhouse gas that is considered to be a chief contributor to global warming. Slocum said U.S. forestland sequesters an estimated 200 million tons of carbon dioxide annually. He said the usage of wood in ways that hold the carbon dioxide long-term, and replanting of trees or new forestry growth, contribute to helping reduce greenhouse gases in the atmosphere for longer periods.

"So when we use wood," he said, "it's a good thing."

Slocum said many environmental interests, especially those who advocate for land preservation, should emphasize improved forestry management rather

than a hands-off, "lock it up"-type land protection plan. Older trees die and release carbon, while wood that is used in construction or for other uses ties up the carbon long-term. He said some environmentalists seem to be starting to understand the realistic options.

"I've sort of enjoyed this debate and seeing how it's going to come out," Slocum said. "I think they have reluctantly come to the understanding that perhaps a managed forest is preferable to a parking lot."

As for use of alternative fuels, the use of burning wood is probably necessary to realistically attain the goals for utilities to obtain a minimum amount of power from "renewable" sources. "It puts [environmentalists] in a bit of a pickle," Slocum said. "You have to actually cut the trees."

Slocum said one problem with the findings of CAPAG is that no cost-benefit analysis has been conducted for the carbon dioxide-reducing options

being recommended. Tom Peterson, executive director of the Center for Climate Strategies, which is managing the CAPAG process, admitted as much at a meeting of the Legislative Commission on Global Climate Change last month. CAPAG is a study group created by the N.C. Division of Air Quality, designed to recommend policies largely for its legislative counterpart to consider enacting into law.

"There's no acknowledgment that there are going to be significant upfront costs," Slocum said.

As for the CAPAG, Slocum said the Center for Climate Strategies led the process, but he did not detect that the management group had any preconceived agenda.

Slocum said he participated in one of the CAPAG sub-groups that focused on agriculture, forestry and waste. "I think [CCS] tried to reflect what the working group was talking about," he said. CJ

Residents Reject Raleigh Restrictions on Land Use

Mayor Meeker tells overflow crowd that city needs to 'rethink' proposed restrictions

By RICHARD WAGNER
Editor

RALEIGH

An overflow, vocal crowd reacting to the City Council's attempt to curtail construction on most residential property across the city took council members and the Planning Commission from the drawing board to the woodshed in short order Nov. 20 at a public hearing in council chambers.

In stinging rebukes to city officials' recent march toward "smart growth" zoning, speaker after speaker told the council that the city's plans would ruin neighborhoods and rob citizens of their most valuable asset — their homes. The crowd loudly applauded and cheered after many of the citizens' speeches.

Obviously stunned by the strength of the opposition to the proposed rule, Mayor Charles Meeker said, "We hear you." He promised that the council would ask the Planning Department to consider alternatives. "We do need to rethink this," he said.

The "temporary" proposal was drawn up by the city's Planning Department to restrict the construction of new houses that are larger than older homes in traditional neighborhoods. The new regulations would limit the height and overall size of new homes and increase setback requirements for yards.

Only a couple of speakers out of the standing-room only audience supported the restrictions.

Paul Coble, vice chairman of the Wake County Board of Commissioners, president of the North Carolina Property Rights Coalition, and a former mayor of Raleigh, told the council, "This text change is ill-conceived, ill-advised, and ill-prepared.

"It is a shameful attempt to exert your will on land-use policy by robbing the citizens of Raleigh and property owners of their property rights. You cannot thwart the laws of economics of the marketplace by placing artificial constraints on zoning ordinances any more than you can control the marketplace by government price controls, which was so ably demonstrated by President Nixon when he tried to control gas prices.

"This week all the people in this room are going to have the joy of receiving their re-evaluations from the county. What y'all do with it will be important, but if you are not careful you will find property values going up in the city and your actions may very well cause the value in people's homes to disappear."

Dallas Woodhouse, state director of Americans for Prosperity North Carolina, referred to the higher re-evaluations and increased value of land, rather than homes, in Raleigh. The city's proposal would limit homeowners' abil-

"You cannot thwart the laws of economics of the marketplace by placing artificial constraints on zoning ordinances any more than you can control the marketplace by government price controls..."

Paul Coble
Vice Chairman
Wake County
Board of Commissioners

ity to replace obsolete structures with newer ones that protect home values, he said. "We ask you (the council) to move cautiously on this, and if it's a close call, and I suspect that in many cases it is, the close call should go toward the person who is paying the mortgage."

Another speaker, a homeowner, used the city's new convention center as an example. "The convention center was built because of functional obsolescence," he said. "Why not houses?"

Michael Sanera, research director and local government analyst with the John Locke Foundation and a former professor of political science, decried the mayor's and three new council members' "hollow" victories in the November election. The "dismally low" turnout of voters in the November election in which Meeker and three council members were elected called into question the legitimacy of the council's move to revolutionize planning in the city, he said.

Political science research shows that off-year elections, such as the one in November, draw a small percentage of voters and are dominated by special interests, he said. "In this case," Sanera said, "special interests turned out to vote for the mayor's candidates who will remake the city based on their shared vision."

Now that the mayor appears to have a majority on the council, the council will support special interests, he said. "What do these special interests want? I think they want this ordinance. And it is clear that the ordinance is designed to steal the property rights from homeowners in the city."

"The ordinance will prevent people from living the lifestyles that they choose. This special interest is working through the city council to use government to force people to live the lifestyle that it selects," based upon the election turnout of a tiny minority of voters, he said.

The proposal would increase setback regulations by up to 10 feet for any building on land zoned between six and 10 homes per acre. The proposed regulation also would lessen the maximum height of buildings from 40 feet to 32 feet in zoning districts that allow four to 10 homes per acre. An analysis by city planners shows that the proposed regulation would reduce the "footprint" of building

on land zoned R-6, Special R-6, and R-10 by 22 percent to 28 percent.

Craig Tierney, a resident of Craig Street in Raleigh, said that people joke to him, "Do you own that street?" And I laugh and say, no, I'm a little concerned now whether I own my own property."

Tierney told the council that in the past 15 years he has witnessed a revitalization of his neighborhood. "I live in an 1,800-square-foot brick ranch," he said, which over the years became too small to resell to most families who needed larger homes to raise their children. "This neighborhood was turning over," he said.

Widows lived nearby and over time the neighborhood changed. "When these homes became open, what we saw in my neighborhood was either people, who like me, were single with no children would buy it because they wanted it as an investment. They didn't want to live there. But what we noticed was that no families were buying these smaller homes."

The families with children that did buy the smaller homes renovated and expanded the homes, he said. "When I bought my home 15 years ago," Tierney said, "there were no children in the neighborhood, one or two perhaps." Because of the new families moving into his neighborhood, the area now thrives with children playing in open lots and yards, he said.

In neighborhoods where families didn't move into older homes and renovate them, Tierney said, houses became rentals. "Who is going to rent these homes? It's college students.... There aren't one or two college students in these homes. There are five or six college students in these homes."

The "kegger" parties the students throw are notorious for disrupting neighborhoods, he said. "I don't want to live in a neighborhood that has a kegger down the street."

The regulations being considered by the council would prevent the revitalization of older neighborhoods, Tierney said, and encourage families to move out of the city.

Coble warned the council that its decision would trigger wider repercussions. "As a member of the county commission, I'll tell y'all I'm awfully concerned about this decision because you're going to affect people who live in the county who are in your ETJ who will have no voice in this, so I rise to speak in their place because you will make decisions that will affect their property values and their property rights also.

"Be very careful how you play with people's property rights. For many people it's their retirement. It is future income." There are people in the city who have invested in the county to provide the major income for their retirement, he said. "The changes you make may very well rob them of that." CJ

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Debt is Debt: Taxpayers on Hook for TIFs Despite Rhetoric (Spotlight #337 by Fiscal Policy Analyst Joe Coletti)

No, Fix the Roads First: How North Carolina Has Taken Transportation Out of Transportation Policy (Spotlight #335 by Legal and Regulatory Policy Analyst Daren Bakst)

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NC Delegation Watch**Congress promotes pork**

President Bush on November 13 signed a \$471 billion Defense Appropriations bill, which almost immediately freed congressmen — including several in North Carolina — to start promoting projects they earmarked for their districts.

Government spending watchdogs in Washington, including Citizens Against Government Waste and Taxpayers for Common Sense, criticized the amount of pork barrel projects in the measure. CAGW identified 2,074 projects in the bill as “pork,” totaling more than \$6.6 billion.

Meanwhile, House and Senate members sent word of their breadwinning back to their districts. Several Tar Heel state representatives enjoyed press exposure at home as a result.

Rep. Patrick McHenry, R-10th, won \$1.8 million for a private business, Granite Falls-based Mariner Container Corporation, which is based within his district in Caldwell County. The project gained positive reports for McHenry in *The Charlotte Observer* and *Hickory Daily Record*.

As with all earmark requests from congressmen, McHenry’s April 26 letter to Appropriations Committee leaders certified that “I have no financial interest in this project,” and makes a brief case for the funding.

“The funding would be used to provide world-wide ITV/TAV and (security, temperature, humidity, shock and vibration) sensors,” McHenry wrote, “to me(et) (sic) the U.S. Army and USTRANSCOM requirements to save the Department of Defense millions in monthly charges due to demurrage/detention or lost/stolen cargo.”

Other North Carolina congressmen who received favorable press thanks to their earmarking included Rep. Heath Shuler, D-11th, who “announced that he has secured a \$1.4 million federal appropriation for a demonstration project to develop a Long Range Initiator system, which helps combat roadside bombs,” the *Asheville Citizen-Times* reported.

Second District Democrat Bob Etheridge won \$1 million for nanotechnology research at Shaw University; \$2.4 million for production of “camouflage systems” by a Lillington manufacturer; and \$1.5 million for the construction of a “high-powered electron microprobe” at Fayetteville State University. *CJ*

Defends administration**Vocal Minority Mars Rove Event at Duke**

By DAVID N. BASS

Associate Editor

DURHAM

No trace of Christmas cheer was in the air as an assorted group of students, faculty, and citizens packed Duke University’s Page Auditorium Dec. 3 to hear Karl Rove, longtime political adviser to President Bush, defend the administration’s conduct on topics ranging from negative campaign tactics to the definition of torture.

Moderated by Duke University political science professor Peter Feaver, “A Conversation With Karl Rove” brought out some of the most contentious episodes of Rove’s tenure as deputy chief of staff in the Bush administration. A question-and-answer session followed the main event.

Rove, who left the White House Aug. 31 after serving seven years in the administration, is considered one of the most effective and controversial campaign masterminds in contemporary politics. Although best known for helping propel Bush to victories in 2000 and 2004, Rove has aided numerous campaigns over the last three decades.

Rove garnered a mixed reaction at Duke, with many students listening quietly during the event but a vocal minority hurling insults and mocking laughter as the political strategist answered questions on an array of issues. The evening began on a light note as Rove described his experience dancing to rap music during a media correspondence dinner in March, but the conversation soon jumped to Rove’s support for the Iraq war and relationship with Bush.

“We’ve been friends for a very long time,” Rove said of Bush. He described some of the factors that led Bush to run successfully for the Texas governorship in 1994, a campaign in which Rove played an advisory role.

“[Bush] had a pretty clear idea of what he wanted to do if he ran for governor,” Rove said. “He got involved in some efforts in education reform, juvenile justice issues, and self-improvement efforts aimed at helping people move from dependence on government to self-sufficiency.”

Rove defended the administration’s policies in the war on terrorism and blamed sweeping Republican losses in the 2006 midterm elections on scandals and runaway spending, not the war in Iraq. “The No. 1 issue was corruption, and the No. 2 was the bridge to nowhere,” Rove said. “No. 5 on the list was Iraq.”

Rove lauded GOP victories in the 2002 election, when Republicans defied traditional voting patterns by picking up



Duke Political Science Professor Peter Feaver, left, and Bush adviser Karl Rove at Duke’s Page Auditorium Dec. 3.

seats in the House and Senate, and the 2004 election, when Bush received the most votes of any presidential candidate in history. “We’ve had three successive elections when there was Republican momentum, and a 2006 election that is more of an average midterm for a sitting president,” Rove said.

When asked about the permissibility of torture as an interrogation tactic, Rove said the government should not specify what methods will be used but pointed to laws prohibiting inhumane treatment of prisoners in the United States.

“Torture is not acceptable,” he said. “We don’t torture. We saw it happen in Abu Ghraib, where people came forward and said this [conduct] does not live up to our national standard.”

On the domestic front, Rove said the GOP is becoming the party of the middle class, while “rich Duke graduates are increasingly Democrat,” a jab that drew a mixture of laughter and boos from the crowd. Rove emphasized the need for Republicans to reach out to minorities and admitted the GOP can’t claim to be one of the major political parties while generating single-digit support among African-Americans.

Rove refused to tick off the faults of the current lineup of Republican presidential hopefuls, but he was generous in his criticism of the candidates in the opposing party, saying that each has

weaknesses.

“For Clinton, it’s difficult for her to make the argument of being the candidate of change when her basic message is, ‘Don’t you want to go back to the ‘90s?’” Rove said. “Obama is a hard sell when he says I’m up for this job, but I really haven’t done anything.”

Asked to name some up-and-coming Republicans who might make presidential material in future campaigns, Rove called N.C. Sen. Richard Burr “impressive.”

The tense atmosphere was underscored by multiple interruptions by protesters, some of whom carried pink banners with the words “Arrest Him” written in black capital letters across the front. Outside the entrance to Page Auditorium, activists braved frosty temperatures to distribute pamphlets criticizing the Bush administration’s policy on torture.

“Karl Rove has been chief strategist for an administration without respect for the most basic human rights principles,” one of the pamphlets read. “The use of torture and illegal abductions by the Bush Administration in the ‘war on terror’ betrays the ideals of fairness, humanity, and the law.”

The pamphlet also claimed the Bush administration runs “torture taxis” out of N.C. airports, transporting captives to “torture havens” in the Middle East without granting them legal rights. Another handout provided an illustration and explanation of water boarding, an interrogation technique that simulates drowning.

Inside Page Auditorium, tensions rose as microphones were opened for questions from the audience. One girl stood near the stage holding a banner bearing the words “Liar” while Rove answered queries. Another student concluded her own question by asking Rove when his trial for treason would start.

Others expressed embarrassment and disgust over the hecklers. An editorial in the Duke newspaper *The Chronicle* published the day after Rove’s speech said protesters ignored behavior guidelines distributed at the event.

“If the University wants to host more major and controversial speakers like Rove, then it must work harder to maintain the academic nature of events and ensure that the atmosphere is intellectually rather than emotionally charged,” the editors said.

One of the most animated outbursts came near the end of the evening, when a heckler at the front of the auditorium shouted that Sept. 11 was an “inside job.”

“You’re a kook,” Rove shot back. *CJ*

Amity Shlaes: FDR's Rhetoric Ignored 'Forgotten' Taxpayer

Amity Shlaes, senior fellow in economic history at the Council on Foreign Relations, recently addressed a John Locke Foundation Headliner luncheon in Raleigh. She also discussed her book, *The Forgotten Man: A New History of the Great Depression*, with Mitch Kokai for Carolina Journal Radio.

Kokai: When the stock market crashed in 1929, the United States fell into an economic tailspin. President Herbert Hoover and his Republican administration did nothing about it, thus paving the way for Democrat Franklin Roosevelt and his New Deal. Roosevelt's programs helped America get back on its feet.

If that story line sounds about right to you, you will be shocked to read the latest book from Amity Shlaes.

Based on your book, I gather that there is almost nothing correct about that scenario I just outlined. Is that true, that what we learned in history class is probably not what really happened?

Shlaes: That's correct. And not only that, but people knew it at the time. So that was a surprise to go back and see them telling us the way it was. Hoover was not a *laissez faire* person. He did a lot when the crash happened. He intervened but in counterproductive ways.

For example, he raised taxes. He raised a tariff. He berated business and told it it was bad and had to go in the corner. He, he—what else? He told employers they couldn't lower wages when they were running out of money because of the downturn.

It was a whole series of counterproductive things. Then along came Roosevelt and did some good things that we know about—helped the banks, helped people out with their mortgages—but also, as I develop in the book, a whole lot of counterproductive things himself throughout the '30s.

Kokai: Sometimes the title of the book is just a catchy attention grabber. But in the case of your book, "the forgotten man" really is central to your theme. What's the significance of "the forgotten man"?

Shlaes: Well, for FDR "the forgotten man" was an important phrase. He spoke of "the forgotten man" at the bottom of the economic pyramid in an important speech on the radio, on the Lucky Strike Hour, in his campaign.

He was again speaking about the bottom man. But his phrase had a provenance. It was in the air, the phrase "the forgotten man," and it came from a professor named William Graham Sumner who many decades before had spoken of another "forgotten man."

His "forgotten man" was the taxpayer who funds the government project for the first "forgotten man." And the

question is how are these two forgotten men pitted against one another—the man who pays the taxes and the recipient who gets the money and which is right and which is fair.

And the reason that it matters today is we have this battle now, principally with entitlements, where young people are subsidizing their grandparents—through their Social Security, Medicare, Medicaid—but probably won't get the same deal themselves.

Kokai: Now early in the book you identify and call as the deepest problem of the Depression, "the intervention, the lack of faith in the marketplace." How was that the deepest problem of what we saw from the end of 1929 through World War II?

Shlaes: Well, this is very opposed to what we learn, but when I went and looked back at the '20s in more recent work on the '20s, we found that the '20s weren't just good but frivolous.

They were good full stop. And there is a recent Nobel Prize winner named Prescott who wrote a paper about how the stock market in '29 really wasn't all that high.

There has been serious work in the past 50 years on the economy showing, one, that the economy wasn't in as bad a trouble as people made out in that regard. So that is the first revision.

Second, there was a terrible deflation in this period, which I describe at great length. The money ran out. The money ran out so bad that people had to make their own Monopoly money and trade it.

But where is that the lack of government faith? If the government thinks all of what it sees in growth is inflation and very little is genuine growth, it is going to tighten.

And that is what caused the deflation, basically, when the reality was there was a lot of growth in there and it was real growth. Maybe they shouldn't have tightened so much in monetary terms.

So that is there. And then in the '30s, of course, in the New Deal, they believed that growth came from the government and ignored the fact that the best kind of growth tends to come from the private sector because that is where people do the most productive things that create



Author Amity Shlaes addressing a John Locke Foundation Headliner Luncheon on Oct. 29.

more widgets and generate more stability. Government can make a job for a year, but it cannot make stability with a short-term fix-it job.

Kokai: We know Roosevelt today as the resolute war leader, the person who early on said, "The only thing we have to fear is fear itself." But you say that during the Depression, "Roosevelt believed in a future of scarcity," and later you add that the New Deal was causing the country to forgo prosperity, if not recovery. That sounds like a much more pessimistic attitude than what we have all learned about FDR and his role in bringing us back.

Shlaes: I think these days we suffer in history from what might be called "presidentism."

It's all about the presidents, right? We move from president to president, and that is the history. Yes, of course, we need to know our leaders well. But no president is perfect. Roosevelt was a great war leader. He was the right man for the war.

That should not allow the reality of what he did in the 1930s to be so obscured, and what he did in the 1930s was truly problematic. He was egregiously arrogant.

He said, "We seek in government an instrument of unimagined power." Can you imagine a presidential candidate today, not John Edwards, not Hillary Clinton, not Ron Paul, not Romney. No one would say, "We seek an instrument of unimagined power to create a higher order of things." I am paraphrasing. He was very, very arrogant. He attacked principles of property, and he had no understanding for the market and even for the American temperament of the small businessman.

So that was a lot different from what I had studied as a child, reading books about FDR. My book seeks to give a reality revision, not an ideological revision, of the ambiguous character that he was in the '30s.

Kokai: You don't paint him as a villain, but you do point to some of the things that he did that just built upon other mistakes. You get the sense in reading this book that if he had just stopped at some point and let his various "reforms" stand, we would have been

better off.

Shlaes: Politicians have their reasons, that they like reform for the sake of reform. But as we know here in the marketplace or when we are citizens that reform for the sake of reform is very costly in terms of uncertainty.

If your child's school is reformed six times from first grade to sixth grade, you know he doesn't have a pleasant experience in that school, and a lot of us know that, right? So we know No Child Left Behind. We know stuff that changes sounds good, but change itself can be trouble.

And that was the New Deal. Roosevelt would do a reform. One day he loved big business. The next day he is suing them.

Then he loves them again, breathing spell, then he is back at them. And even Keynes, the famous U.K. economist who was so important in that period, didn't like it. He said to Roosevelt about utilities: either nationalize them or leave them alone.

What's the use of chasing them around the lot every other week? That's the politician, and that's what Roosevelt did. It's the dark side of his famous phrase "bold, persistent experimentation." People don't like bold, persistent experimentation too much because they can't get their bearings, and that's a little bit of what happened in the '30s—especially the latter half.

Kokai: You described government interventions. You describe dealing with the income tax for social reform, rather than just for revenue. Of the various things that you describe in *The Forgotten Man*, what are the main lessons that we should take away today as we are trying to figure out what policies should guide the U.S. in the future?

Shlaes: Well, there is no good government and bad private sector or good private sector and bad government.

We are all people, and we all have good and evil in us. But what there are are power struggles.

And you can look at the 1930s as good government trying to save a bad economy, but you can also look at it as a power struggle between the public sector and the private sector—men in a room both trying to win. And you can see where they fought, what fields they picked.

They picked the fields where the power was. They picked taxes. Who has the money? They picked monetary. Who has the money?

And they picked the best industry of their day, their Internet, which was electricity, power. Literally, they fought over power. So once you see that you get a little skepticism about politicians.

No politician is better than everyman, and no everyman is better than any politician. CJ

State School Briefs

Making room for arts

Guilford County's school board is trying to figure out how to sandwich gym, art, and music classes into a school schedule focused on the basics, the Greensboro *News & Record* reports.

On Dec. 20, the board discussed various schedules designed to help elementary and middle schools meet student requirements while giving teachers adequate planning time.

Some options on the table could cost as much as \$5 million, the paper reports. The most expensive alternatives would ensure once-weekly art, music, and physical education classes, along with twice-weekly foreign-language classes for students throughout the county.

These options respond to concerns from some parents and arts advocates that schools have dropped arts and music classes to pay for foreign-language instruction.

"If we are trying to have it all, what are our priorities?" asked Mack McCary, chief academic officer for the district, according to the newspaper.

State Rep. Alma Adams, a Bennett College art professor, told the school board that the options they are considering present too many inequalities in arts education. She urged changes, according to the newspaper.

"It is a necessity of life as we need air," Adams said. "Arts education is a necessity, not a nicety."

CMS forfeits funds

Smaller-than-expected enrollment forced Charlotte-Mecklenburg Schools to return almost \$900,000 in tax money to the state, reports *The Charlotte Observer*.

But the payback shouldn't cause any problems for CMS, Chief Finance Officer Sheila Shirley told the newspaper. The district has a total operating budget topping \$1 billion.

The payback did not come as a surprise. CMS officials say they realized early in the school year that enrollment growth would fall short of projections. Many other N.C. school districts faced the same situation, according to the *Observer*.

Shirley said CMS prepared for the expected forfeiture of funds by avoiding hiring for unfilled positions. Schools also avoided spending money that might have to be returned.

Earlier projections pegged CMS enrollment at 134,554 students. CJ

Education Issues Will Face Legislature

By JIM STEGALL

Contributing Editor

RALEIGH

The North Carolina General Assembly won't reconvene until May 13, but the groundwork for significant — and costly — new education legislation is already being laid. In addition to the annual battle over the bucks, legislators will be faced with sticky policy issues left on the table from last year's session.

Last year's biennial budget projected that public schools would need \$7.7 billion in state funding for the 2008-09 school year, about the same as this current year. With revenue collections coming in a little better than expected, education officials, program advocates, and the teachers union are all poised to ask for even more.

Whether they get it is another matter. The full revenue picture won't be known until May, after most citizens and businesses have settled up with the tax man. Complicating matters further is a recent declaration by Judge Howard Manning that he will rule in favor of the School Boards Association in a suit involving up to \$700 million in civil "fines and forfeitures" that have been withheld from schools for more than a decade. While on the surface that seems like a boon to schools, the amount of money the state has to pay districts, and the timing of the payments, may cause legislators to cut other education programs to balance things out.

Electoral politics will also play a role in what gets passed into law this time around. Lt. Gov. Beverly Perdue is running for governor, and her signature education initiative has been a program to ensure that every school in the state enjoys a high-speed connection to the Internet.

From her post as presiding officer of the State Senate she will be pushing for increased funding for that effort.

Gov. Mike Easley isn't running for anything — at least not yet. But he has let it be known that he will lobby vigorously for at least two of his pet education projects.

"Learn and Earn" is a program that allows high school students to take college courses, potentially earning an associate degree by the time they graduate. To date it's been run on community college campuses, but Easley would like to see the program move online as well.

The governor also wants to expand his "literacy coaches" program by adding up to 100 more coaches in middle schools across the state. Literacy coaches work with classroom teachers to develop lesson plans that incorporate reading and literacy skills in all types of instruction, regardless of the subject being taught.

Easley got the legislature to fund the first 100 coaches two years ago and



Conflict may flower at the N.C. General Assembly in May as leftover educational issues come up for consideration. (CJ file photo)

persuaded budget writers to expand the program by 50 coaches last year. Now he wants 100 more.

In a December presentation to the Joint Legislative Education Oversight Committee, the governor's education adviser Ann McArthur tried to sell legislators on the merits of beefing up the program, but ran into skeptical questioning by Rep. Rick Glazier, D-Cumberland.

Glazier, who called the literacy coaches program a "non-inexpensive proposition," pointed to data from the 2006-07 school year that suggested literacy coaches in middle schools had no effect on student reading levels. Easley will be hard-pressed to overcome his lame-duck status to secure more funding for a program he would like to leave as his legacy in education.

Salaries, as usual, will be a major budget issue again this session. Recent teacher salary increases have been in the 5 percent range (when step increases are included), but have been weighted more toward beginning teachers. The North Carolina Association of Educators has not yet publicly stated how much of an increase it will be pushing for this year.

One budget item the union failed to get enacted last session will likely get another look. Last year the NCAE lobbied for a bill that would have granted teachers two fully paid "personal days" each school year. Current law allows teachers to take two personal days each year at full pay minus \$50, which in theory goes to defray the cost of the teachers' substitutes. A bill to eliminate the deduction was introduced last session and received hearings in two legislative committees, but it foundered when questions were raised about the projected cost (up to \$10 million a year) and who would pay for it (the state or local school districts).

In addition to battles over how to spend education money, the General Assembly will also face questions about how to raise it. The School Boards Association will once again argue that

school districts should have their own taxing authority.

According to association lobbyist Leanne Winner, North Carolina is one of only a handful of states that do not allow school boards to set local district tax rates, relying instead on appropriations from county commissioners. Some school districts would like to change that. The association will also lobby for school districts to become exempt from sales tax (most state and local government offices have sales tax exemptions, as do many quasi-governmental entities) and against any attempt to revive last year's failed bid to remove North Carolina's ban on collective bargaining for state employees.

Between legislative sessions special commissions are established to examine laws and policies and to recommend changes to the ensuing General Assembly.

This fall a special commission met to study North Carolina's policies regarding charter schools. That commission released a report Dec. 20 that called for an easing of the "hard cap" of 100 charter schools. The recommendations face long odds in the Democrat-controlled legislature, which has been less than supportive of charter schools in the past.

Another commission is now taking a look at all of the funding formulas the state uses to divide up education allocations between school districts. The amount of state education funding a district receives varies according to a wide array of factors. Total numbers of students, geographic size, local tax rates, local economic conditions, and numbers of single-parent families in a district are just some of the factors that influence one or more of the funding formulas.

Many legislators believe it's time to examine each formula to ensure that education funding is being distributed fairly, but any changes are bound to be contentious. The formulas are all products of careful political deal making from sessions past, and each has champions who are likely to resist changes. CJ

Charter Schools Fare Better On School Violence Reports

By DAVID N. BASS
Associate Editor

RALEIGH
Charter schools in major metropolitan areas across North Carolina reported fewer acts of crime and violence during the 2006-07 school year than many traditional public schools in the same regions, according to statistics from the Department of Public Instruction.

The *Annual Report on School Crime and Violence*, released by DPI Dec. 5, showed a slight decrease in the frequency of violent and criminal behavior among students in 115 local school districts and 93 charter schools in the state. Although the rate rose from 10,959 acts during the 2005-06 school year to 11,013 acts this year, an increase in the number of students caused the per pupil rate to decline by 0.13 acts per 1,000 students.

While the overall rate of school violence and crime improved, charter schools tended to report fewer violations than comparable public schools. In total, 73 percent of charter schools (68 out of 93 schools) reported no acts of violent or illegal behavior, compared with 42 percent of traditional public schools. Nearly all charters reported no more than five acts, while three-fourths of traditional public schools made the same claim.

Vanessa Jeter, director of communications and information for DPI, cautioned against comparing the report's results for charter schools with those of traditional public schools. "Charter schools are usually a little smaller and more heavily in the K through 5 student breakout, which happens to be the group with the lowest number of reported acts," she said.

In addition, the school violence statistics are self-reported by officials in the individual schools, Jeter said, so some of the numbers "depend on adults paying attention."

A regional comparison of charter and traditional public schools shows that charters tended to report fewer acts on a per student basis. For example, out of 14 charter schools in Wake County, only one, Community Partners Charter High School in Holly Springs, reported any violations. In contrast, most traditional schools in Wake County registered at least one episode of violent or illegal conduct, and many of them reported dozens of violations.

East Wake High School, for instance, had 22.7 acts per 1,000 stu-

dents, including one assault resulting in serious injury, 10 acts of possession of a controlled substance, and four acts of possession of a weapon. Longview School in Raleigh was one of the worst per student offenders in the state, with the equivalent of 461 acts per 1,000 students among its small enrollment, including 24 acts of assault on school personnel.

Overall, Wake County public schools averaged almost nine acts per 1,000 students, compared with an average of 3.4 acts per 1,000 students among Wake charter schools.

The DPI report showed similar results for other metropolitan areas. Traditional public schools in New Hanover County averaged 8.2 acts per 1,000 students, Buncombe County 7.5 acts per 1,000 students, and Forsyth County 9.8 acts per 1,000 students.

Charter schools in other regions fared much better. New Hanover County's only charter, the Cape Fear Center for Inquiry, averaged 3.1 acts per 1,000 students; Buncombe County's only charter school, Artspace Charter, had zero acts; and Forsyth County's five charter schools combined to average less than one act per 1,000 students.

Mecklenburg County charter schools fared less well, with almost half of the county's nine charter schools reporting at least one violation. The worst offenders, both located in Charlotte, were Crossroads Charter High School, which reported 30 acts of possession of a controlled substance, and Kennedy Charter, which reported four acts of assault on school personnel.

Comparatively, students in traditional public schools in Mecklenburg County committed a total of 942 acts, or 7.4 acts per 1,000 students. Hopewell High School in Huntersville and Independence High School in Charlotte had the worst records, with 73 and 79 total reported acts, respectively.

The DPI report classified none of North Carolina's nearly 2,400 public schools, both traditional and charter, as Persistently Dangerous Schools. APDS is a school that reports five or more violent offenses per thousand students during two consecutive years and where poor conditions are likely to remain the same into the next school year.

Most reported acts were classified as non-violent, such as drug possession or assault on school personnel not resulting in serious injury. CJ

"Charter schools are usually a little smaller and more heavily in the K through 5 student breakout, which happens to be the group with the lowest number of reported acts."

Vanessa Jeter
N.C. Department
of Public Instruction

Commentary

Johnny Won't Read

Few issues have received more attention and funding in K-12 education than has reading literacy. Reading skills matter. Educators and lawmakers from all political persuasions know this. But there's more to reading well than just know-how. Instilling a love of reading in students is equally important. As Mark Twain said, "The man who does not read good books has no advantage over the man who can't read them."

Twain's words were prescient indeed: In modern America, even when the proverbial Johnny can read, he often chooses not to. A new report, released in November by the National Endowment for the Arts, highlights this alarming trend: Reading has declined precipitously as a national pastime, with far-reaching educational and economic implications.

To Read or Not to Read, the "most comprehensive report ever done" on reading, according to NEA Chairman Dana Gioia, examined more than 40 studies on the reading skills and habits of children, adolescents, and adults. Results were strikingly similar: American teens and young adults are engaging in recreational reading at historically low levels.

This is no trifling development. Frequent reading, according to NEA data, correlates strongly with reading comprehension and academic achievement. Reading competency enhances workplace marketability: 63 percent of employers say reading comprehension is "very important" for high school graduates. Proficient readers are more likely to be employed, achieve professionally, and earn higher wages than their less-literate peers do.

Even so, the NEA reports that only 30 percent of 13-year-olds read almost every day for fun; 13 percent "never or hardly ever read" for pleasure. Among 17-year-olds, 22 percent read almost every day for enjoyment. Nineteen percent rarely, if ever do so. Test scores show it: Barely more than one-third of high school seniors read proficiently. Only 31 percent of eighth-graders are proficient readers, according to the 2007 National Assessment of Educational Progress.

Why don't we read? Some say our digital culture is to blame. E-mail, computer games, instant

messaging, and television all vie for attention. TV occupies a singularly prominent place among leisure activities: On an average week-day, 15- to 24-year-olds spend two hours watching TV and only seven minutes reading (including online material), the NEA reports.

Our pedagogical approach emphasizing classroom time over substance doesn't make for a better, or more joyful, reader. According to the recently released *Progress in International Reading Literacy Study*, the United States leads the world in reading instructional time: 68 percent of American fourth-graders receive more than six hours of reading instruction per week. Yet 17 countries and jurisdictions out-

score America in reading literacy.

The Literacy Study data, released after the NEA report, also spotlight what might be an emerging and disheartening trend: Many young children are indicating that they don't like to read. Only 40 percent of American fourth-graders score high on reading enjoyment scales, placing the nation close to the bottom of the heap internationally. Yes, these kids still perform better than their older peers on national tests, but this could change if attitudes about reading continue to worsen.

What will relieve literary lassitude? Schools should focus more on content-rich, culturally relevant reading material and less on clocking in hours of instructional time. "We expand the time spent on reading but don't examine what is being read," Educator E.D. Hirsch said.

Some education leaders are already revamping content: Arizona Superintendent of Public Instruction Tom Horne has pushed for reading materials infused with substance about the arts, science, and history.

But curriculum changes alone won't turn kids and teens into cheerful and regular readers. As parents, we need to model and encourage the habit in our children of reading widely and often. If that means temporarily setting aside our digital diversions, then so be it. Our children's minds, and their future vocational prospects, will be the better for it. CJ

Kristen Blair is a North Carolina Education Alliance Fellow.



Kristen Blair

School Reform Notes**Garner, board square off**

A fight between Garner town leaders and the Wake County school board could determine who has the real power in assigning students, especially low-income ones, to schools, *The News & Observer* of Raleigh reports.

Garner officials say they're tired of the town's schools having high percentages of low-income students because of children being bused in from Southeast Raleigh.

They're requiring Wake County to reduce the percentage of low-income students at Smith and Aversboro elementary schools by making that a condition of construction permits for renovation projects at the two campuses.

As leverage, town officials could withhold certificates of occupancy for the two schools. The school board fired back Dec. 11 by delaying renovations at Smith Elementary until the town drops that condition.

"We've got a limited amount of money, and if a municipality says, 'we have restrictions' and they possibly won't give us a certificate of occupancy, then the question is why would we invest in it?" Patti Head, a school board member, asked of the Smith project.

Garner Mayor Ronnie Williams said the school board's vote was actually a good thing. "It appears that they're taking us seriously," he said.

Crime falls in New Hanover

Schools in New Hanover County are experiencing a decline in violent crimes committed by students, according to a state report released Dec. 5.

The Annual Report on School Crime and Violence by the N.C. Department of Public Instruction shows a 22 percent decrease in school crimes in the district between the 2005-06 and 2006-07 school years.

Overall, 195 crimes were reported in county schools last school year, compared with 251 the year before. Fewer bomb threats and weapons possessions led to the significant drop, the *Wilmington Star-News* reports.

Possession of controlled substances by students remains the top incident reported in schools in New Hanover, Brunswick, and Pender counties.

But while overall crime statistics fell in New Hanover County schools, Brunswick County Schools have experienced a 22 percent jump in crime. *CJ*

School focuses on boys**Durham Nativity School Breaking Barriers**

By KAREN McMAHAN

Contributing Editor

DURHAM

Situated in one of the poorest and toughest neighborhoods in Durham, the Durham Nativity School apparently is accomplishing what many public schools fail to do: Provide a high-quality, multidimensional education to underserved middle-school African-American and Latino boys.

Outside the school, two police officers were parked nearby recently in squad cars. The officers watched young people wander aimlessly by. Surrounding the school were dilapidated, boarded-up buildings and a corner store with bars on its windows and doors. Inside the school, 29 African-American and Latino boys were engaged in learning, and possibly dreaming of what can be for them, not what is.

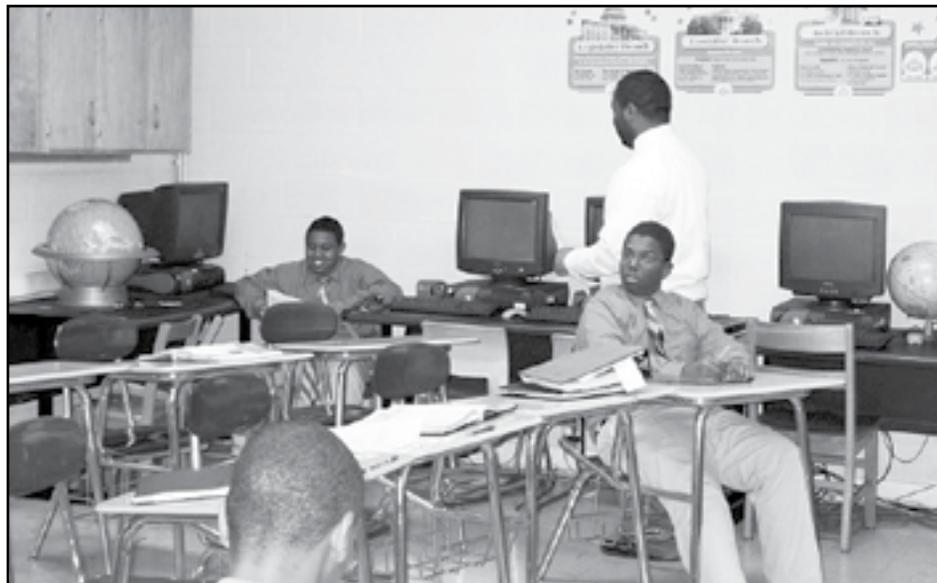
The school's success in empowering students to break the cycle of poverty, low achievement, and school dropout can be attributed to its staunch commitment to a positive learning environment, standards-based education, and strong parental involvement, say school officials.

The school's mission, structure, and programs are patterned after a successful national model, the Nativity Network and Nativity Miguel schools. "What distinguishes Durham Nativity from the other 64 network schools," said Director of Development Richard Burton, "is that it's one of only a few that's nondenominational, and it's the only one in a smaller city. The rest are in large metropolitan cities, like Philadelphia and Chicago."

The school was founded in 2002 by Dr. Joseph Moylan, a retired Duke surgeon, and his wife, Carole, with the aim of addressing the problems found in public education and rising dropout rates. After traveling around the country to examine school models, the Moylans chose the NativityMiguel model because it targets children who qualify for the federal free- and reduced-lunch program, it's effective, it's free, and it requires parental involvement.

According to the national organization's Web site, 92 percent of students in network schools graduate from high school in four years versus the "national rate for African-American and Latino students of 55%." The four-year dropout rate for high school students in the network is 6 percent, compared to most inner-city schools with dropout rates of 50 percent or greater.

More than 75 percent of graduates enroll in two- and four-year colleges and universities, their statistics show. Among them are Brown University, Cornell University, Duke University, Johns Hopkins University, Middlebury College, and Temple University.



Students and teacher discuss assignments in a science class at Durham's private boys' school, The Durham Nativity School. (CJ photo by Karen McMahan)

"We call the process an 11-year program," Burton said, "because students are provided scholarship funding for their middle school education and four years of private college-preparatory high schools. Once they graduate from high school, Durham Nativity facilitates the college admission process." High school partners include Cardinal Gibbons High School, the Carolina Friends School, Durham Academy, and the Trinity School.

"I admire the board for its commitment to pay the difference in tuition when scholarships don't cover the full cost," Burton said. "The school's \$900,000 annual budget is funded solely through corporate, foundation, and individual support." The annual tuition of \$20,000 per student is paid for with private donations. "We take no government funds," he said.

Greater Flexibility

When asked why school officials chose to be a private school, not a charter school, Burton said, "We didn't want the restrictions. We need to be flexible, and our model allows us to meet all the needs of our students—social, cultural, moral, personal, as well as intellectual development."

As an example, Burton discussed parental involvement, a key component of the educational model. "Parents must support the school's educational model and fortify at home what their child is learning at school. We require a contract from all parents, or guardians." Burton said parents must fulfill the contractual agreement or their child cannot continue in the program. Such a requirement would not be possible in a public school or even a charter school.

A student's parent or guardian must volunteer at least four hours per trimester or 12 hours per academic year. They also must attend several parent-student-teacher conferences and Parent Empowerment Program

meetings each academic year. Many of the students come from single-parent homes, headed by their mother, an aunt, or grandparent.

Opponents of school choice and private education say that schools like Durham Nativity are successful only because they can select top minority students. Burton dispelled that notion, saying, "We select students who are performing at one grade level below."

The school used to take more severely academically disadvantaged students. "We can't turn those students around in three years," Burton said. "We depend heavily on our high school partners, so we have a responsibility to ensure students are successful before we pass them along to our partners." When the school loses students, it's primarily because of inadequate parental support and academic issues, not disciplinary ones, Burton said.

Structure and Curriculum

Durham Nativity is an extended-day, extended-year program, meaning students are in school 10 hours a day for four days a week and eight hours on Fridays. Students must participate in service-learning activities, including a yearlong service to a single partner organization or project. The service-learning component "teaches students the value of giving back to the community." Students attend eight weeks of Saturday Academy classes each spring. In the summer, they attend a two- or three-week Summerbridge program.

The school offers a traditional liberal arts curriculum and focuses on Judeo-Christian values. Curricular offerings include: English-language arts, mathematics, science, religion, foreign language (Latin and Spanish), social studies, physical education-team sports, and arts enrichment. Students learn in whole-group, small-group, and individual settings. *CJ*

Big-Ticket Bond Referendum Has Guilford Officials at Odds

By SAM A. HIEB
Associate Editor

GREENSBORO

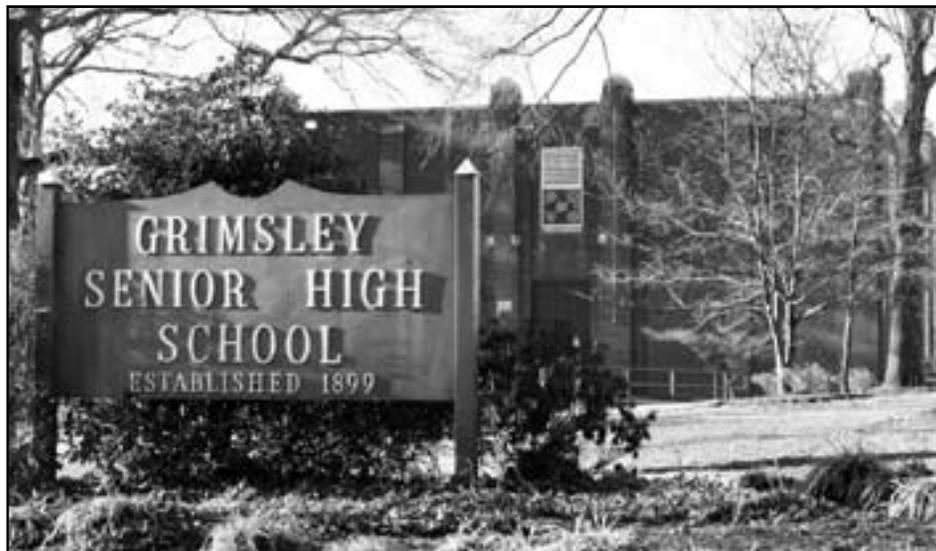
The Guilford County Board of Education finally signed off on a \$457 million school bond proposal, but its chances of passing are highly questionable for a variety of reasons. Many complain the package's price is too high, while even more believe that the school system has little credibility when it comes to bond funds.

If that's not enough, the man who was instrumental in putting the package together, Superintendent Terry Grier, might be taking off for San Diego come the first of the year. A week after the board passed the bond, Grier issued a statement confirming he was being interviewed for the superintendent's job with the San Diego Unified School District.

Most recently, voters passed a \$200 million bond in 2000 and a \$300 million bond in 2003. At the December meeting to consider the package that would go on the May 2008 ballot (pending approval by county commissioners), Grier assured school board members that future funds would be spent as wisely as the 2000 bond, which ended up with a surplus that allowed for the construction of an extra school.

"I can promise you this: Just because you approve this referendum does not mean that we will not try to build schools cheaper, as we did in our first bond referendum when we had enough money left over to build Oak Ridge Elementary School," Grier said.

It was the 2003 bond where GCS ran into problems. Grier and his staff cited rising construction costs, as well as unexpected costs related to renovations of existing buildings, for the shortfall



Grimsley High School, originally built in 1929, is in line for a classroom and cafeteria addition, and gym and Jamieson Stadium renovations at a cost of \$11.74 million. (CJ photo by Sam Hieb)

that prevented one of the major projects on that bond, a new Jamestown Middle School, from getting beyond the planning phase.

The new Jamestown school is now on the proposed bond at a cost of \$33.5 million. But the school's final construction plan was in doubt up to the last minute. School board members believed they could shave \$3 million off the package by adding an autism wing there instead of adding it to an existing high school. But after meeting with Jamestown parents, board members decided against that plan.

Board member Jeff Belton acknowledged the school system has a hard row to hoe in Jamestown.

"We don't have a lot of credibility in Jamestown. All they got was higher taxes," Belton said. "So I felt like it was important that we go down there and talk to them not only about the size of the school but what we envisioned for

schools in that area, but also give those folks in that area a chance to speak with us personally, and for us to face the music. I felt like we got off surprisingly light."

Other new schools on the bond package include a Northern Greensboro-area elementary school at a cost of \$25.3 million, a Southeast Greensboro-area elementary school at a cost of \$24.8 million, and a new Alamance Elementary at a cost of \$20.3 million.

There are also some pricey renovations included in the package. A classroom addition and upgrades to the gym and media center at Southwest High School are coming in at \$31 million, while the same renovations at Southeast High School are listed at \$33 million.

But those costs pale in comparison to the cost of the new airport-area high school, which is coming in at \$71.9 million.

But GCS staff warned at a Septem-

ber school board meeting that the cost could soar as high as \$88 million. GCS facilities consultant Joe Hill explained the so-called soft costs, but board member Amos Quick wasn't buying it.

"It's still going to be \$88 million," Quick said. "The point I'm trying to make is that when we're talking about a bond package that grows every time we get together, every time we get together to talk about this, it seems to me, this figure grows."

At the December meeting, some board members expressed displeasure with the final \$457 million package right before the vote.

"I'm not set on these costs, and it really sounds bad coming from an accountant that when you start shaving dollars off, it doesn't make a huge difference, because personally I think we could shave \$30-\$40 million off this bond by really working hard at it. In my heart, I think it could be done," said board member Garth Hebert.

"This is a lot of money, and if we could possibly build more schools with this amount or hopefully less, which I believe we could, I think we'd be in much better standing with the commissioners and the public. I want to make sure this is going to pass, because I know how badly we need the schools," added board member Darlene Garrett.

Meanwhile, Grier issued a statement about his job search.

"I want to be clear that I am not dissatisfied with my current position and enjoy working with our board of education. An offer has not been made; I am taking this process one step at a time. We've accomplished much in Guilford County, successes that are now being acknowledged and recognized across the country," Grier said in the statement. CJ

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Campus Briefs

Events this month illustrate real "diversity" on college campuses—differences in ideas, approaches to problems, and achievements.

- On the side of free markets, Students for Ron Paul and the Economics Club at UNC-Chapel Hill hosted Austrian economist Bettina Greaves on November 27, 2007. Greaves, a student of famed Austrian economist Ludwig von Mises, as well as an economist in her own right, spoke about the Austrian school of economics, an often ignored but analytically rigorous and highly influential tradition in the history of economic thought.

- At Duke University, former senator Rick Santorum addressed the dangers of terrorism on December 5, 2007. Santorum's speech was titled "The Gathering Storm of the 21st Century: America's War against Islamic Fascism." The lecture was co-sponsored by the Intercollegiate Studies Institute and the Duke University Ethics and Public Policy Center.

- In direct opposition to Greaves' Misesian ideals and Santorum's conservative outlook, UNC-CH students revamped the U.S. Constitution to include "positive rights." In a project sponsored by the social and economic justice minor, students from two UNC-CH classes, Sociology 131 and Sociology 273, coordinated their work this semester and held a constitutional convention Dec. 1. They discussed a proposal to make Chapel Hill and Carrboro "Human Rights Cities." Part of the project's goal was to discuss socioeconomic and cultural rights already embraced in other countries' constitutions. New "rights" the students discussed included rights to peace, diversity, democracy, pluralism, education, sports, the arts, and the benefits of discoveries from modern science.

- Achievements also vary across campuses. As new graduates celebrated December commencement across the state, administrators had reasons to laud and mourn their graduation rates. At UNC's flagship campuses, 6-year graduation rates are high—83.8 percent at UNC-Chapel Hill and 70.6 percent at N.C. State. At eight UNC schools, the 6-year graduation rate falls below 50 percent: Elizabeth City State University, UNC-Charlotte, Winston-Salem State University, Western Carolina University, North Carolina Central University, Fayetteville State University, North Carolina A&T State University, and UNC-Pembroke. Duke University's graduation rate remains the highest in the state, at 93.4 percent. CJ

Preventing Va. Tech repeat

Balance Sought in Campus Security and Liberty

By JAY SCHALIN

Contributing Editor

RALEIGH

The slaughter of 32 students and teachers at Virginia Tech by a disturbed gunman on April 16, 2007, had an impact on the American campus similar to the impact the September 11, 2001, terrorist attacks had on the entire nation. It became more than a loss of lives; it was a reminder that danger can strike at any time, and a warning shot urging new vigilance.

Within two days of the shooting, North Carolina Attorney General Roy Cooper initiated the formation of a Campus Safety Task Force. Soon after, UNC president Erskine Bowles initiated his own task force. That task force's final report was presented at the November Board of Governors meeting by Leslie Winner, UNC system vice president and general counsel, who chaired the commission. The Board of Governors passed the task force's proposals resoundingly.

Such urgent action raises some concern whether, in the climate of fear caused by the gunman's rampage, there has been a rush to actions that will lead to unintended consequences.

Campuses are generally among the safest places in America. Winner acknowledged to the Board of Governors that North Carolina campuses have roughly one-sixth the crime rate of the rest of the state. This low crime rate occurs amid a "tradition of openness," Winner said. She acknowledged that there is a "tension" between the need to enhance safety procedures and this traditional openness.

The report endorses an aggressive methodology to identify and deal with potentially violent students. Winner said that the purpose of this methodology is to make sure that "the information from the police and the residence hall people and the academic affairs people all ends up in the same room at the same time."

This emphasis is in response to the breakdown of communication and responsibility at Virginia Tech. The killer, Seung-Hui Cho, had a long pattern of aberrant behavior: He was accused of stalking by at least two different female students, he was taken to a mental health facility for fear that he might be suicidal, and professors and other students alike were distressed by his behavior and twisted writings. According to English professor Lucinda Roy, campus police and other authorities chose not to deal with Cho because he made no explicit threats.

Winner said it was imperative for the task force to address this type of com-



munication failure on UNC campuses. "We need to have a policy for involuntary withdrawal for students who pose a threat, but who haven't broken any rules," Winner said. "We want to get them in contact with professionals who can ferret out normal weird behavior by kids from a serious propensity for violence."

In light of the Virginia Tech incident, this may seem a sensible proposition, but in light of the rights of citizens in a free society, however, it is troubling to some, a fact that Winner seems to recognize. "[Y]ou need to provide the student with some level of due process," she said.

The initial step will be educating the university communities about "red-flag" behaviors that can indicate antisocial tendencies. Some of these behaviors include drug and alcohol use, a "victim/martyr self-concept," stalking, and anger problems.

The report then recommends that individual campuses craft procedures for reporting suspect behavior. "There needs to be a clearly understood protocol for everybody to know what they should do if they interact with a student that they think is a threat to the safety of that student or to other people on campus," Winner said.

Once students' behavior is brought to the attention of school authorities,

their situation will be examined by "threat assessment teams" that include trained observers of youth behavior. If a team determines that a student should be considered a potential threat, he or she will be asked to submit voluntarily to assessment by a professional clinician, and to comply with the recommendations by the clinician. Refusal will be considered grounds for expulsion.

The final step is the presence of accredited counseling centers on the campus that will include caseworkers who "can follow up with that student and assure that they keep their [treatment] appointments, or at least know that they didn't keep the appointment," said Winner.

Some are disturbed by the concept of identifying people as potential criminals before a crime has been committed, planned, or even conceived, and without an association with known criminal organizations. Heightening awareness on campus about suspicious behavior has great potential for errors and mischief, they feel.

Many of the judgments required are highly subjective, and decisions will depend on a professional competency that may or may not always be present. Today's campuses are often polarized, both politically and socially, with no shortage of finger pointing. Even baseless complaints will be recorded; not all students are mature adults, and this apparatus of information could serve as a new form of intimidation.

Winner described this higher state of awareness concerning the behavior of one's peers as "a cultural change that needs to be made." Amid such a sweeping transformation, it would be prudent to have safeguards in place to prevent violations of civil liberties, Winner noted.

Yet the task force's one proposed legislative change removes legal liability from college health care professionals as long as they make judgments "according to their best professional knowledge" and "act in good faith."

Historically, lawsuits have served as a last resort to correct injustices against the individual. This liability is not intended to prevent professionals and administrators from doing their jobs, but to keep campus officials from acting rashly.

After 9/11, emotions stirred by the killings mixed with a real need to act resulted in the Patriot Act. That legislation has been challenged continually over the safeguard of civil liberties. Only time will tell whether this attempt to head off a Virginia Tech-style atrocity will suffer the same challenges and difficulties. CJ

Jay Schalin is a writer/researcher for the John William Pope Center for Higher Education Policy.

Point/Counterpoint: Illegal Immigrants and Higher Education

Respect the Rule of Law

Assume that a popularly elected government enacts a law. The law has the backing of an overwhelming majority of the people. Yet government officials decide they don't like the law and choose to ignore it.

The above describes a clear violation of the single most important foundation of a free society: rule of law. It also describes the actions of many decision makers in our federal and state governments regarding illegal immigration.

Federal law clearly states that foreign citizens of any age who enter our country outside of legal channels are to be deported. And yet the powers-that-be find endless logic-defying means to cloud the issue, against the law and the will of the people.

The issue rose to the forefront recently in North Carolina because the community college system decided that illegal aliens should be admitted officially as students, pending a legislative review.

UNC president Erskine Bowles then suggested that the university system should explore charging illegal aliens residing in North Carolina in-state tuition. Many people are arguing against this. Why should U.S. citizens outside of North Carolina be forced to pay more than non-citizens who have broken the law to get here? Indeed, there is a federal law that specifically prohibits doing this, IRIRA 505.

But both systems have long admitted illegal immigrants as out-of-state students. There are no federal laws governing this. Proponents of this practice suggest that the court case of *Plyler v. Doe*, which says that states must educate minor illegals in primary and secondary schools, offers a precedent for enrolling college students.

Yet, if there is something wrong with charging illegals living in North Carolina in-state tuition because of their illegal status, why isn't there something wrong with enrolling them at all? How can it be that somebody is permitted to attend a UNC school legally when they are not legally supposed to be in North Carolina? And if a university or class has a limited number of students, how can an illegal resident legitimately displace a legal resident?

And what is the point of edu-

cating them, since federal law states that anybody hiring an illegal will be penalized?

The real reason for educating them is that our government officials do not want to enforce the laws against employment of illegals in the future. It is one more way to integrate them incrementally into our

nation so that it will be easier to grant them full legal rights (amnesty).

Businesses want cheap labor, the Democratic Party wants future voters, and the rule of law be damned. Amnesty advocates push such incremental advances as enrollment because they realize they cannot openly accomplish their

true goal all at once.

Some claim that compassion dictates we educate the adult children of illegal immigrants, that they should not be forced to suffer their parents' decision to come to the United States. Yet parents, legal residents or otherwise, frequently make foolish choices for their children; it is not the business of our government to correct them all.

Others cite economic reasons for educating illegals. Yet there is also much evidence that illegal immigration hurts an economy.

Mankind has three basic choices for organizing society: rule by law, rule by decree (the arbitrary whims of a dictator or monarch), and anarchy. History suggests that people thrive greatly under the first system, thrive less under the second, and thrive not at all under the third. Our founding fathers wisely selected the first, and our country has prospered largely because of that choice.

North Carolina's governing elite is essentially ruling by decree by enrolling illegals. They focus their arguments on specific points of compassion and economics, but great, large principles are at stake.

If our government officials can choose to ignore immigration laws, then what other laws and rights can they brush aside for political expediency?

And of what value is U.S. citizenship, if anybody can walk across the border and claim the same rights and privileges as a citizen? CJ

Jay Schalin is a writer/researcher for the John William Pope Center for Higher Education Policy.



Jay Schalin

We Sympathize, to a Point

In 1982, the Supreme Court decided that K-12 education could not be denied to illegal immigrants. Symbolically speaking, these children have now grown up, and, 25 years later, the issue is whether illegal immigrants should be denied a college education at public community colleges and universities.

My view is that individuals who live in the United States, even though illegally, should be allowed to attend college if they pay the full cost of their education.

Illegal immigration is an emotionally wrenching issue because most Americans believe two things that currently contradict one another. They believe that our laws should be obeyed. Yet they recognize that today's tight immigration laws fly in the face of a major reality: millions of people live in nearby countries whose governments have ruined their economies, making their citizens desperate to leave.

Many Americans sympathize with the plight of immigrants from, say, Mexico or Honduras. They have a gut feeling that they, too, would try to escape if they couldn't have a decent life where they were. What would they have to lose — years waiting for official permission to enter, which might never come? The civil rights movement reminded us that not all laws are just. Colonial Americans fought a revolution because they lived under laws they disagreed with.

Whether the immigration laws are just or not is not really the major issue, however. Some people will try to better themselves, whatever the cost. They may be violating the borders of the United States, but they are responding to a basic desire, the pursuit of happiness, which, we have been told, is an inalienable right.

Recognizing this, Americans have been unwilling to penalize those who have entered the country illegally. Although there is talk about securing our borders, I don't see any massive uprising to deport those who have entered into American life. At most, some law enforcement officers want to deport those arrested for crimes, a policy that at least theoretically seems justified.

In other words, Americans generally adopt a "live and let live"

attitude toward illegal immigrants, especially those who are law-abiding. Whether this stems from a philosophical commitment, a knee-jerk sympathy, or self-interest (wanting more gardeners and construction workers), I don't know. But it seems to be widespread.

If we accept, as most Americans seem to, a de facto right of illegal immigrants to live and work in the United States, it seems counterproductive to shut academically capable individuals off from education, which is presumably good for individuals and for society.

But that doesn't mean that the state's taxpayers should subsidize their education.

Subsidized tuition means that taxpayers are footing a large portion of the cost at public universities and community colleges. There is nothing inherently fair about these subsidies.

The average North Carolina taxpayer — who does not have a college degree — is paying for the college education of others, many of them from affluent families. Furthermore, by misleading students about the real cost of their education, subsidies encourage complacency, sloth, and low graduation rates.

Let's not burden the taxpayer even more.

Another major reason not to subsidize the tuition of illegals is simple: It rubs a lot of people, especially taxpayers, the wrong way. Americans tolerate illegal immigration, but paying extra so that they can attend college goes too far.

Historically, immigrants have enriched the United States because they were self-reliant and worked for what they got, often helped by charitable groups, churches, families, and friends. If illegals are allowed to attend public universities, those groups can provide scholarships to help make it possible.

Voluntary dollars, not taxpayer dollars, would go a long way toward addressing this complex issue. Immigrants can rely on the tolerance of Americans, but the less largesse they expect from taxpayers, the more welcome they will be. CJ

Jane S. Shaw is executive vice president of the John William Pope Center for Higher Education Policy.



Jane Shaw

Bats in the Belltower

Top 10 Campus Nutty Events

Normally, this annual column recognizes things that happened on N.C. campuses. This year's list makes a notable exception, granting the top spot (see below) to something that didn't happen. It was so strikingly necessary that its lamentably predictable non-occurrence warrants attention.

Onward to this year's list:

10. Another year, another slate of rape-scare stats. It's been thoroughly discredited, but that one-in-four statistic keeps being promulgated as if it were holy writ. For example, the University of North Carolina at Wilmington's student newspaper, *The Seahawk*, warned that "During their four years of college, one in every four female students will be sexually assaulted."

9. Hidden tuition. A study by the Pope Center for Higher Education Policy finds that most student activity fees collected by UNC schools have very little to do with student groups and activities, but instead serve as a source of extra tuition.

8. Poor, schmoor. No longer used by John Edwards to campaign, UNC-Chapel Hill's Center for Work, Poverty, and Opportunity continued to flout its stated mission to find "innovative and practical" ideas to fight poverty. The center held a conference on "Wealth Inequality and the Eroding Middle Class" (emphasis added) — not bothering to explain, of course, that the middle class is "eroding" through upward mobility.

7. Fight for your rights. UNC-Chapel Hill sociology classes were led by Prof. Judith Blau through a mock constitutional convention. Ignoring the rights envisioned as self-evident ones already created by a benevolent Creator and honored by the government they instituted, they promised gifts bestowed by a dreamy collectivist government — such as "rights" to government price controls on housing and farm produce — and "rights" to sports and art.

6. N.C. needs NASCAR training? The "motorsports" industry emerged without collegiate assistance, but the General Assembly approved \$500,000 for a Motorsports Consortium within the N.C. Community College System — about as necessary as giving East Carolina

a Vinegar-Based Barbecue Consortium.

5. Making legal residents subsidize public higher education for illegal immigrants. Retiring NCCCS President Martin Lancaster instructed all colleges to allow illegal immigrants to enroll at the out-of-state rate. UNC President Erskine Bowles announced a study of whether UNC schools should enroll illegal immigrants at the in-state rate.



Jon Sanders

4. Public money good, private money bad. The General Assembly increased UNC's budget by 12 percent. At N.C. State, students were deprived of new programs and opportunities by faculty ideologues having connivings because the university asked a conservative donor for funding.

3. The most unkindest cut of all. A study by the Pope Center for Higher Education Policy finds that "nearly half the four-year colleges in North Carolina no longer require their English majors to take a course in the work of William Shakespeare."

2. A protest not worth the paper it was based on. Someone finds a noose constructed of toilet paper in a maintenance bathroom at N.C. State, the chancellor says that it could be a crime, the student government calls for criminal prosecution of the noosemaker, and black activists call it "domestic terrorism" and demand a stronger response "to keep someone from hanging from the other end of that noose" (which was made from toilet paper).

1. No apology from Duke's Gang of 88. Even after the fraud became undeniable, they didn't apologize for blaming the university and community at large for a culture of racial and sexual violence, and in January they issued a "clarifying statement" in which they defended their flap-jawed hysteria. Thus, two professors who had publicly apologized — Susan Thorne and Alberto Moreiras — were now retracting their apologies. Since the 88's sentiments were completely aligned with the regnant academic groupthink, their careers were unaffected. CJ

Jon Sanders is a policy analyst and research editor at the John Locke Foundation.

Community College Board Taps Ralls as Lancaster Replacement

By JAY SCHALIN
Contributing Editor

RALEIGH

Most people expected the "insider" to become the next president of the North Carolina Community College System. The big question was, which insider would the governing State Board of Community Colleges choose at its Dec. 6 meeting?

In what might be considered a triumph of the visionary over the financial expert, Dr. Scott Ralls, the current president of Craven Community College in New Bern, was selected over Kennon Briggs, the system's vice president for business and finance for the past 10 years. Before becoming Craven CC's president, the 43-year-old Ralls was the vice president for economic and workforce development for the entire system.

Ralls earned a B.S. in industrial relations and psychology from UNC-Chapel Hill and also has an M.A. and a Ph.D. in industrial and organizational psychology from the University of Maryland.

He will replace H. Martin Lancaster, who has been the system's president for 11 years. Lancaster's comments at the announcement were brief and jovial. "The king is dead, long live the king," he joked. Ralls will begin his new post in April 2008, although Lancaster will not actually retire until May. Ralls will receive a salary of \$275,000 a year, a substantial jump from Lancaster's current \$211,000.

Ralls will be taking over a vast system. There are more than 800,000 students at 58 community colleges in North Carolina, with 214 campuses or centers in 90 counties. The variety of resources and communities is also considerable, ranging from state-of-the-art industrial training facilities to aging classrooms and serving everywhere from Charlotte and the Triangle to the most remote rural areas.

A third candidate, Philip R. Day Jr., currently the chancellor of the City College of San Francisco, was also considered. However, the qualifications for the position included "a broad and extensive knowledge of the North Carolina Community College System," and there were other indications that the local candidates had an advantage.

Talking to the press after the meeting, Ralls said the first thing he intends to do when taking office is to listen. "Don't

look for me to come in day one and make some very significant changes," he said." He remained noncommittal about the current controversy raging over the enrollment of illegal aliens as students in the community college system.

As his educational background and experience suggest, Ralls is likely to focus on issues involving work force development and the economy, particularly the role of the community colleges in keeping the state competitive in the global market. "We now have, over the

last decade, anywhere from 1.5 to 2 billion new workers internationally because of the emergence of China, of India, of the former Soviet Republics," he said. He suggested this massive increase in workers was affecting North Carolina's economy: "We're

seeing changes in the types of the jobs within the economy, where the jobs are moving up the food chain, and we have to help our people in North Carolina move with them."

He is concerned that U. S. workers may not be raising their skills to meet the demands of this emerging global economy. Ralls cited an OEDC study "that showed for 15-year-olds we ranked 25th in math."

Ralls favors a "seamless" approach to education in which the community colleges work with public schools, the university system, and the local economy to address weaknesses and create opportunities.

A partnership between Craven CC and the N.C. State College of Engineering illustrates the concept of a "seamless" education system. Through this partnership, "you can not only go two years with us and complete a two-year degree and then transfer to N.C. State, but you can complete a four-year N.C. State degree...and never leave our county," Ralls said. He also praised community college "Early College" programs, in which talented high school students can take community college courses.

Ralls said that he also looks forward to working with UNC system president Erskine Bowles, with whom he worked in the past as a member of the Rural Prosperity Task Force. Ralls also serves as a director for the North Carolina Department of Commerce. CJ

Jay Schalin is a writer/researcher for the John William Pope Center for Higher Education Policy in Raleigh.

"The king is dead, long live the king."

N.C. Community College System President Martin Lancaster on the naming of Scott Ralls as his successor

Opinion

Good News on Historically Black Colleges and Universities

By GEORGE LEEF
Contributing Editor

RALEIGH
Many of America's most famous black leaders, including Martin Luther King Jr. and Thurgood Marshall, graduated from historically black colleges and universities. In their day, most of the small percentage of black students who went to college enrolled in black colleges, but now only 10 percent do.

Some of those schools are struggling to survive. Fisk University in Nashville, for example, is considering selling its art collection to raise desperately needed funds. The great problem facing many historically black universities is finding ways to appeal to students who can pay. Few black students from affluent families enroll in them. Although black colleges will gladly enroll non-black students, their overtures have met with little success.

Are historically black universities an anachronism? At a time when the cry is heard almost everywhere in higher education that "diversity" is necessary and beneficial, what good can be said about colleges and universities where racial homogeneity is a distinguishing feature?

In fact, there is a good case to be made for black colleges. It's arguable that many black students would be better off at a black university than at other public

or private schools. Here's why.

Although only 10 percent of black students attend black colleges, about 40 percent of the black students who earn degrees in physical science and math get them at historically black colleges. Those are fields where employment prospects are especially bright.

Why are black students so much more likely to pursue these rigorous fields of study at a black university?

Writing about this in *The Wall Street Journal* recently, Abigail and Stephan Thernstrom offered this explanation: "The HBCUs have an advantage over even the selective traditionally white colleges: There is no mismatch between black student qualifications and the academic demands of the schools.... And once they enroll at an HBCU, they can feel free to major in more difficult subjects, knowing that they will not be unprepared for the coursework."

The "mismatch problem" has mostly been ignored by advocates of "affirmative action," who refuse to acknowledge that affirmative action has any downside. Those scholars who have considered the flaws, Thomas Sowell for example, have attempted to get people to see the educational problems involved when a school admits a group of students who are significantly less academically able than most of the student body.

The "preferred" students often struggle in school and gravitate toward the easiest courses. The experience of students at black colleges is the opposite side of that coin — when they aren't



overmatched by students with stronger academic preparation, black students are more likely to pursue studies in rigorous and demanding majors. In a market economy, people succeed on the basis of their contributions, not their credentials. The discipline required to pursue a degree in a demanding field is apt to do more for a student, of any race, than is majoring in one of the "soft" disciplines, which are known for their low expectations.

One piece of evidence that black students are better off at black universities than at traditionally white schools where they are not well matched academically is the study by Stephen Cole and Elinor Barber, *Increasing Faculty Diversity: The Occupational Choices of High-Achieving Minority Students* (Harvard University Press, 2003). The authors concluded that affirmative action contributes to the problem of a low percentage of black professors because it steers them into schools where they perform relatively poorly.

Cole and Barber found that among black students with scores of 1,300 or higher on the SAT, only 28 percent of those who attended Ivy League schools had grade point averages in the A range, whereas 55 percent of those who attended black colleges did. This matters because high grades are just about obligatory for admission into good graduate schools. Black students who expressed interest in going into college teaching were much more likely to carry through with it if they attended a black university or other less-selective institu-

tion rather than an elite school.

Historically black universities often have another thing going for them, namely a solid general education curriculum. In 2003, I did a survey of general education requirements at the schools in the University of North Carolina system. I found the strongest general-education requirements at some of the UNC system's smallest and least well-funded institutions, historically black schools such as North Carolina Central University and Elizabeth City State. Conversely, the weakest general education programs were at the highly funded flagship schools.

The reason is that the small black colleges don't have the resources to offer a vast smorgasbord of courses, as the flagships can. Therefore, they concentrate on the sorts of required courses that used to be the pillars of a college education, such as American history, literature, government, lab sciences, and mathematics. As the Thernstroms wrote about black universities, "their academic conservatism may be the secret to their success."

One struggling historically black university, Wiley College in Texas, has just had the good fortune to be the setting for a movie starring Denzel Washington. Wiley officials are hoping that the publicity will send more students to their small school. The movie is about Wiley's champion debate team in 1935. The success of this team provides additional proof that excellence requires neither diversity nor huge expenditures. CJ

George Leef is vice president for research at the John William Pope Center for Higher Education Policy.

Correction

The headline on last month's "Issues in Higher Education" misidentified the university highlighted in the story. It was George Washington University, not George Mason.

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.
- Diligence in moral and ethical instruction.
- Responsible citizenship.
- Freedom of choice among educational alternatives.
- 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 or visit the website at www.nche.com

As of January 2005, there were over 60,000 homeschoolers registered in the state of North Carolina.

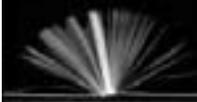
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Town and County

'Green roof' browns out

Last year, Charlotte installed a "green roof" atop Discovery Place science museum. The idea was to reduce energy consumption and storm-water runoff by using a vegetation-covered roof. The roof met its match with the drought, *The Charlotte Observer* reports. The city had to replace 3,000 plants that died.

The city is also spending \$5,000 for a drip irrigation system to prevent the new plants from dying. The irrigation system and the green roof cost the city \$225,000, 70 percent more than a conventional roof would have cost.

Steve Marlowe, the city's roofing program manager, defended the drip irrigation system, noting that it complies with current drought-mandated watering restrictions.

"We're not using water that we don't need that already comes from Mother Nature," Marlowe said. "If it senses there is rain falling, our system gets turned off."

The city will also use a different type of soil mix for the replacement plants. The soil previously used was found not to be the best-suited for the sedum plants used. The new soil mix will feature a sand-like material and organic mushrooms.

Greenville uses aquifer

Greenville soon will store millions of gallons of water in an underground reservoir to guard against future droughts. The system would be the first of its kind in the state, the *Raleigh News & Observer* reports.

The basic idea would be to take some extra water during the winter when demand is low and pump it deep underground into a layer of sand that acts like a big sponge. During summer, when demand for water is higher, water can be pumped back out.

"The good thing about storing it underground is the quality doesn't deteriorate," said Barrett Lasater, director of plants for the Greenville Utilities Commission.

To ensure that surrounding conventional wells continue to supply potable water, the state is requiring that all the water that Greenville pumps underground be treated to drinking water standards.

The system is expected to cost \$1.4 million. The city has received federal funds to cover half the cost. CJ

Critics Target 'Smart Growth' Commissioners

By DONNA MARTINEZ

Contributing Editor

RALEIGH

Smart growth" advocates won the initial fight in Jackson County, but the battle over property rights in this western N.C. county known for its beautiful mountain views has moved to a new front — elective politics.

A grass-roots group of property rights supporters is recruiting candidates to run for two county commission

seats in November. Both seats are held by commissioners who in August voted for restrictive regulations affecting new subdivisions and land with steep slopes in unincorporated areas of the county.

"We plan to fight it in the voting booth," said Marty

Jones, co-founder of Property Owners of Jackson County. "We've talked to some [possible candidates] but don't have firm commitments at this point, and there may be others we haven't talked to that are willing, that we don't know about yet."

Jones said that if candidates aligned with the group's view of development win the seats held by commissioner Mark Jones and Vice Chairman Joe Cowan — who voted for the restrictions — a pro-property rights, pro-business perspective would take a 3-2 majority on the board.

The move into the political arena is in response to the county commission's passage Aug. 6 of two regulations members of the property owners association view as an overreaction to growth. Many property owners attended public hearings during the spring and summer, hoping to persuade commissioners to back away from the proposals. Critics told commissioners the rules they were planning to adopt would stymie economic growth, increase housing costs, and unduly limit property owners' rights.

However, the association's opposition didn't affect the outcome. Both the Subdivision Ordinance and the Mountain and Hillside Development Ordinance passed by 4-1 votes. "I think it was a knee-jerk reaction to what they perceive as rapid growth, which just isn't there," said Jones, owner of Marty Jones Realty in Cashiers. The lone dissent came from County Commission Chairman Brian McMahan, who for months had argued the ordinances went too far. The same night, commissioners unanimously voted to end a five-month development moratorium that had been

imposed while the new regulations were drafted. The association opposed the moratorium as well.

The 71-page Subdivision Ordinance includes this proclamation of intent: "Public health, safety, economy, good order, appearance, convenience, morals, and the general welfare require the harmonious, orderly and progressive development of land within the jurisdiction of the county." That intent translates into, among other things, a requirement



Burgeoning growth has many counties contemplating restrictions that some citizens say violate property rights. (CJ file photo)

that any major new, nonfamily subdivision, defined as more than eight lots, must set aside 25 percent of the land as open space.

The Mountain and Hillside Development Ordinance, commonly referred to as the steep-slope

ordinance, sets out additional limits. A two-acre minimum lot size is required for land with an average slope of 30 to 34 percent, and only one dwelling can be built. Required lot sizes grow with the slope, culminating in a minimum 10-acre lot for land measured at a 45 percent slope or higher. The 37-page ordinance also covers "best management practices" for things such as land disturbance and grading; vegetation, landscaping, and habitat; historic and archaeological resources; sensitive natural areas; outside lighting; and building colors. The ordinance strongly encourages "that dark or earth-tone colors be used to make the home less conspicuous as seen from off site."

County Commissioner Tom Massie defends the regulations as fair to property owners and necessary for public safety. He said the steep-slope ordinance ensures that people will build on more solid earth and thus help prevent landslides. North Carolina's historic drought and concerns over groundwater also helped push the issues to the forefront, Massie said.

"We don't have a whole lot of public water systems in the mountains because of our topography, so we rely predominantly on groundwater supply through wells. So we're looking at larger

minimum lot sizes the steeper the slope gets to handle the storm-water runoff and to make sure we've got groundwater recharge to those wells everybody is depending on," the commissioner said. Massie acknowledged there is still opposition to the restrictions, but he said most county residents consider it "a non-issue now."

Tom Stovall, owner of Southern Lumber Home Center in Sylva, doesn't blame county commissioners, but he said the county's development moratorium is one of three reasons his family's store is closing. For more than 60 years, the store has supplied flooring, doors, appliances, landscaping, and more to the area's building industry. Stovall said the store's shutdown was caused by a general housing slowdown, stiff competition from a new Lowe's store, and the moratorium.

"One of the first things the moratorium did was shut down any new work at future subdivisions because they didn't have any ordinances in place, and they weren't going to issue any permits to new subdivisions," Stovall said. For a while he continued to serve customers who needed materials for existing projects.

But, combined with the other challenges he faced, it wasn't enough to sustain the store. He said he isn't bitter, but he describes the demise of the business his grandfather started in 1945 as "a heartbreaker."

"The only thing I can go on is what I hear from my customers," Stovall said. "I know that half a dozen of my best custom homebuilders haven't had any work since September of last year to speak of, as far as a new custom home in a new subdivision or anything like that. Everybody's got cold feet about building anything." When liquidation of Stovall's store is complete, 35 people will have

"We plan to fight it in the voting booth. We've talked to some [possible candidates] but don't have firm commitments at this point."

**Marty Jones
Co-founder
Property Owners
of Jackson County**

lost full- and part-time jobs, including 50-year-old Stovall, who isn't sure what his future holds.

Association co-founder Travis Lewis, a landowner, looks forward to a day when the development regulations are eased. He supports some rules, but he said the county had gone overboard, particularly with the open-space requirement. "Somebody's got to pay for the 25 percent space," he said. "It has to be figured into the lots that are left to be sold. It's not free land the developer is just setting aside. It's just going to drive the price of our property up." CJ

Skybus Using N.C. Incentives To Push European Air Model

By MICHAEL LOWREY
Associate Editor

CHARLOTTE

How European are American travelers willing to act? For taxpayers, that's the \$57 million question — literally — as North Carolina and Triad-area local governments are lavishing incentives on a start-up airline with a business model that's new to this side of the Atlantic.

The airline is called Skybus. It's based out of Columbus, Ohio, and only began service in May. And despite currently having only eight jets, it announced plans recently to make Greensboro's Piedmont Triad International Airport its second "focus city." What that means is that Skybus will have 13 flights a day to a total of nine destinations from PTI by late February, up from one daily departure in December. Additional flights are likely as the airline adds more aircraft. The airline will also be establishing a crew base in the Triad.

The airline's growth in Greensboro was influenced by a very generous incentive package. PTI is spending \$6.3 million on immediate improvements to the existing airport terminal and adding additional parking spaces. The airport will also pay the airline \$2.15 per passenger boarded to new destinations served. Skybus also gets \$300,000 for marketing.

The state and regional groups, meanwhile, are offering \$5 million in incentives provided Skybus creates 375 jobs.

The airport has already committed to building a \$7 million terminal especially for Skybus with an associated \$33 million, 3,300-space parking deck should the airline board enough passengers in Greensboro. Additional marketing and incentive money would also kick in as well.

The incentives package for Skybus comes despite significant questions about the airline's operating model and the general state of the airline industry.

Startup businesses are always risky, and the airline industry hasn't historically been very kind to newcomers. Yet even by those standards, Skybus may be a particular stretch.

Skybus' business model is based upon Europe's most successful low-cost airline, Ryanair, and is unlike anything that has previously been tried in the U.S. Simply put, Skybus offers rock-bottom

fares between, if at all possible, obscure airports on the outer fringes of major metropolitan areas.

For example, Skybus' idea of "Boston" isn't Logan Airport in Boston proper. It isn't even such cities as Providence, R.I., or Manchester, N.H., the traditional alternatives to Logan. No, Skybus claims to serve Boston through Portsmouth, N.H., a city on the border with Maine. Likewise, Skybus' definition of Ft. Myers, Fla., is an airfield

in Punta Gorda.

To be sure, cut-rate carriers have long existed in America. They have, however, focused on bringing tourists to and from the most popular holiday destinations like Orlando and Las Vegas. Skybus targets a much wider range of destinations, at much higher frequencies.

Skybus compensates for the rather limited demand in city pairs like Greensboro-Portsmouth by offering very low fares. It promises 10 \$10 fares (taxes not included) on each flight. To make up for the limited income stream from fares, the company is also selling things, like priority boarding. It also charges for each bag you check. Skybus also charges for food and drinks — and you are not allowed to bring your own food onto the plane.

Skybus' flight attendants, meanwhile, earn commissions by hawking a wide variety of products to travelers. There's also copious amounts of advertisements in the passenger cabin.

PTI also will not serve as a hub — that is as a connecting point — for Skybus, as the airline's business model focuses solely on point-to-point travel. In fact, it doesn't offer connections at all.

"It may work in Europe, but this is the Colonies, with a fundamentally different marketplace," wrote aviation consultant Michael Boyd on his company's Web site back in May as Skybus began service. Boyd questions whether the carrier will survive.

Boyd's comments also came before the most recent surge in fuel prices and signs of a slowing economy forced other air carriers to retrench. Delta Air Lines announced it might lose money in the fourth quarter and is trimming destinations and service levels.

Meanwhile, Southwest Airlines, the country's largest low-fare carrier, will further cut its growth plans for 2008, adding only five to 10 aircraft on net, down from the 34 it had planned as recently as six months ago and the 19 envisioned more recently.

CJ



Commentary

'Wishful Thinking' Governance

While vacationing for 10 days outside of the U.S., I really started to appreciate how wonderful things are in this country. Relatively good roads, access to communications almost anywhere, choices for buying gas, and no military checkpoints delaying my travels. But I have been completely saddened to see the complete abuse of taxpayer money that took place with the state's first use of Tax Increment Financing (TIF): the Randy Parton Theatre in Roanoke Rapids. The abuse reminds me of what I would see in a Third World country.

TIF was a contentious issue back in 2004, when the League of Municipalities and NC Citizens for Business and Industry pushed for and raised money to pass the referendum on it under the legal name of "Amendment One." Having failed in 1982 and again in 1993, 2004 was the year that clicked as voters approved TIF, also called "Self-Financed Bonds."

Both groups touted the jobs that would be created and the need for local governments to have another economic development tool. Three years later, the experiment is, thus far, a dismal failure. At the time of Amendment One's passage, I knew this was a bad idea. I hoped I would be wrong.

Roanoke Rapids was sold a bill of goods by economic developers pushing the Parton project. A grand theater financed by taxpayers, approved by the Local Government Commission (LGC) — which, until then, had never failed to recognize risk for local government — and overseen by the State Treasurer (and aspiring governor) Richard Moore. It was going to create jobs and jump-start the rural economy of the Down East town. And Randy Parton (Dolly's brother, by the way) was going to fill the seats. Taxpayers would more than recover \$21-plus million of their money spent to finance it.

But the details weren't carefully checked. The process was flawed, and the procedures to protect taxpayers clearly weren't in place.

In getting this project off the ground, the LGC jeopardized its until-now pristine reputation. City leaders in Roanoke Rapids have a lot of explaining to do, too. With

money from a taxpayer-funded \$3 million reserve fund, Parton bought trips to Vegas, alcohol, and dozens of other odds and ends unassociated with the theater. He was also the highest paid government employee in the state, raking in hundreds of thousands of dollars. Somehow, I don't think this was what TIF supporters envisioned.

In fact, leaders in Kannapolis and Cabarrus County are planning on using TIF to dole out \$160 million for billionaire David Murdock to build a biotech campus. That's \$160 million in borrowing capacity not spent on schools, law enforcement, or any of the myriad of things local government should be doing.

That's \$160 million being spent on a project that easily could have been done without taxpayer subsidy. Adding insult to injury, these same leaders are contemplating raising property taxes to help Bruton Smith "keep" a racetrack in the same area. That's "incentive" money now being used to keep businesses here, not create new jobs.

The other TIF approved in North Carolina is the downtown development of Woodfin, a tiny town north of Asheville preparing literally to build a downtown from scratch with \$25 million in precious future tax dollars.

These leaders can't be faulted for their wishful thinking, but they should be concerned that the same group that approved their project (the LGC) also approved the Randy Parton Theatre.

North Carolina's leaders should be quick to halt the process before more damage is done. This isn't a knee-jerk reaction. The process is flawed and should be suspended immediately. For all the promises made about TIFs, the reality is that the Randy Parton Theatre went through every step of the process as specified by law, and it is still a dismal failure.

Taxpayers deserve a higher standard. Wishful thinking isn't a substitute for good governance. CJ

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



Chad Adams

Local Innovation Bulletin Board

Urban Singles Give Way

For much of the past decade, business recruiters, cities, and urban developers have focused on the young, urban, single professional, the so-called "dream demographic."

But analysis of migration data shows that the strongest job growth has consistently taken place in regions such as Houston, Dallas, Charlotte, and Raleigh-Durham, that have the largest net in-migration of young, educated families ranging from their mid-20s to mid-40s, Joel Kotkin, presidential fellow at Chapman University, says in *The Wall Street Journal*.

Urban centers that have been traditional favorites for young singles, such as Chicago, Boston, New York, Los Angeles, and San Francisco, have experienced below-average job and population growth since 2000.

San Francisco and Chicago lost population during that period. Even immigrant-rich New York City and Los Angeles County have shown barely negligible population growth in the last two years, largely because of a major out-migration of middle-class families.

Conversely, family-friendly metropolitan regions have experienced the biggest net gains of professionals, largely because they not only attract workers, but they also retain them through their 30s and 40s.

The evidence suggests that the obsession with luring singles to cities is misplaced. Instead, said Paul Levy, president of Philadelphia's Center City district association, the emphasis should be on retaining young people as they grow up, marry, start families, and continue to raise them.

Slowing growth in San Jose

California's scenic beauty, mild climate, and economic opportunities have attracted more than 36 million people.

But the state has been restricted by its high cost of living, most notably by having the least affordable housing and worst traffic congestion in the country, the Georgia Public Policy Foundation says.

The experience of San Jose shows how California achieved these dubious rankings. Amid some of the fastest-growing industries in the world, San Jose should be one of the fastest-growing urban areas in the country. Thanks to growth-stifling plans and regulations, however, it is one of the slowest.

During the 1990s, a period of wild growth in the high-tech sector,

the San Jose urban area grew by a paltry 0.7 percent per year. By comparison, the Las Vegas urban area grew by 6.5 percent per year, Atlanta by 5 percent, Phoenix by 3.8 percent, and Houston by 2.8 percent. Overall, about 250 U.S. urban areas, including Philadelphia, Indianapolis, and Baltimore, grew faster than San Jose in the 1990s.

San Jose's slow growth is not simply the result of a debate over growth versus livability. Instead, it is the product of several little known institutions: the local agency formation commission — which has made California's urban areas the densest, most congested, and least affordable housing markets in the United States — and the congestion management agency, which has raised taxes to pay for transit systems instead of highways, leading to congestion problems.

No-growth and slow-growth advocates certainly played a role in inhibiting San Jose's growth. But they probably would not have succeeded were it not for the local agency formation commission and CMAs that, ironically, were designed to facilitate growth and relieve congestion.

Lead exposure and crime

For decades, researchers have known that lead poisoning lowers children's IQs and puts them at risk for severe learning disabilities and sometimes violent behavior. New research increasingly suggests that lead also affects long-term juvenile and adult crime rates, *USA Today* says.

A pair of studies by economist Rick Nevin suggests the nation's violent crime rate in the second half of the 20th century is closely tied to the widespread consumption of leaded gasoline.

According to Nevin, the trend lines match almost perfectly. Leaded-gas use climbed in the 1940s and fell in the early 1970s. Twenty-three years later, rates for violent crime followed in near unison.

Its gradual demise in the 1970s, he said, did more to stop violent crime among people who came of age in its wake than any social policy.

But Richard Rosenfeld, a criminologist at the University of Missouri-St. Louis, said there are many more factors to consider — economic trends, incarceration policies and policing strategies, among others — before researchers can tie long-term violence levels and lead so closely. *CJ*

From Cherokee to Currituck

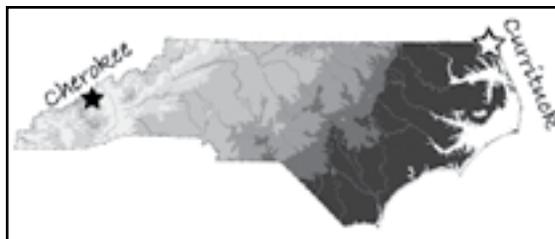
Union Wants Well Regulation

By MICHAEL LOWREY

Associate Editor
RALEIGH

Union County is asking for authority to regulate the water usage of privately owned wells and to restrict the drilling of new wells. The proposed action comes in response to the drought, *The Charlotte Observer* reports.

When local water systems impose mandatory water restrictions, the limits do not ordinarily apply to private wells. Many homeowners have re-



sponded to water restrictions by putting in wells. Union County's water system is stressed even in the best of times. It was among the first water systems in the Charlotte area to impose watering restrictions last year. The county estimates that more than half of well permits issued in 2007 were for irrigation.

While Union County officials would like to make the watering restrictions apply to residents with wells, they do not think they have the authority to do so. Pinehurst recently restricted new wells, but Union County officials question Pinehurst officials' interpretation of state law.

But Matthew Delk, Union County's assistant county manager, questioned Pinehurst's interpretation of state law and said he does not think the county has that authority.

"This is something we need the advice of the state on how to handle," Delk said.

Whether the General Assembly grants Union County the authority it seeks remains to be seen. "You've just got to be careful and understand the science of it before you start legislating," said Sen. Eddie Goodall, R-Union. "People still have a right to that ground and, I'm guessing, the air above it and the soil below it."

Population appeal approved

Winston-Salem's attempts to amend its official population estimates to correct a clerical error have been allowed. At stake is about \$600,000 from the state, the *Winston-Salem Journal* reports, although it remains uncertain whether the city can recover the entire amount.

Each year the state demographer releases official estimates of municipal population based in part upon information supplied by the state's cities and towns. The population numbers are listed as being July 1 population

estimates, the day the fiscal year begins for the state and localities. In actuality, however, the official population figures also include people annexed during the fiscal year.

A number of funds that flow to municipalities are based upon this population figure.

In Winston-Salem's case, the city submitted its paperwork including only its actual July 1, 2006, population

of 201,955. Three months into the fiscal year, it conducted a major annexation, adding 20,727 residents, which

should also have been included in its official population estimate.

State Demographer Bill Tillman opposed the city's attempts to revise the estimate, arguing that it would establish a precedent that would allow further revisions by other cities and towns.

David McCoy, head of the Office of State Budget and Management, overruled Tillman, finding that the state was already aware of Winston-Salem's intent to conduct the annexation and to add the 20,727 residents.

"There is no doubt that this put OSBM on notice that a significant change in Winston-Salem's estimate was forthcoming," McCoy said.

Moore County loses air service

Another N.C. community has lost all scheduled air service. Delta Air Lines officials said the company will not resume service to Pinehurst's Moore County Airport in the spring.

A commuter airline affiliated with Delta had provided service in all but the winter months since spring 2006. The airline provided once-a-day service to the Delta Atlanta hub.

Poor loads were the primary reason behind the decision to end the flights.

"We never turned anyone away from a flight," Airport Manager Gary Barnum said to *The Fayetteville Observer*.

Barnum noted that the 40-seat regional jets were only about 55 percent full this year.

The loss of service comes despite \$285,000 in incentives the county and airport gave to Delta. In 2006, the county reimbursed the airline \$75,000 for employee costs associated with the flights.

The airport kicked in \$214,000 in discounted fuel, waiving lease agreements and other benefits to the airline. *CJ*

USDA Loan Program Competes With Local Business

By KAREN WELSH
Contributing Editor

RALEIGH

It was something right out of a romantic movie when Mickey Buffaloe purchased the historic Howell Theatre in Smithfield, N.C., in 1996.

The ambiance, old wood floors, and nostalgia of the 1930s establishment — where it's said the famed actress Ava Gardner watched her first movie — was an excellent business opportunity for Buffaloe, who lived 30 minutes away.

Several years of reel bliss passed until 2000, when he received word that local businessman John Shallcross, a man with longstanding political, family, and social connections in the Smithfield area, announced he was going to build a modern 10-movie multiplex theater only a few miles away.

"This kind of shocked us," Buffaloe said. "We didn't know where they would get the money. I talked to the banks. I knew they wouldn't make a large loan because Smithfield is rural. It's not a growing community."

Not long afterwards, Buffaloe learned Shallcross had obtained a \$4.2 million U.S. Department of Agriculture loan.

"It was a surprise to me," he said. "The USDA is supposed to mean agriculture. It means helping towns with infrastructure."

What Buffaloe didn't know was Shallcross was participating in the USDA Rural Development Business and Guarantee Loan Program.

"What we are looking for are businesses that are credit-worthy," said Eddie Miller, the assistant to the USDA director. "This is a program where a bank comes to the federal government for a guarantee on the loan. The bank is our customer. This is not a subsidized loan.

The government is actually collecting money, not paying out any money."

Miller said the program was developed to help provide business opportunities in rural areas, of 50,000 or less people, that would not normally exist.

He said the new theater was a good risk because it provided extra jobs in the community and gave a place where people could go for entertainment. The draw of people also helped sustain restaurants and other service-oriented businesses.

However, Buffaloe said he was already filling that niche, and when the multiplex opened his business fell by more than 50 percent. His theater was also denied most of the first-run movies.

As a result, the Howell Theatre began to feel like a never-ending nightmare flick. Soon Buffaloe was forced to change his business strategy just to stay afloat. He became a \$2 movie theater and started to open his theater to schools and other groups for special viewings.

"I blame the USDA," he said. "They knew beforehand, they knew going in what they were going to do to me. The new multiplex theater was meant to supply jobs in our area, but what do you do about the jobs they were taking away from my business? I'll never get

"I blame the USDA. They knew beforehand, they knew going in what they were going to do to me. The new multiplex theater was meant to supply jobs in our area, but what do you do about the jobs they were taking away from my business?"

Mickey Buffaloe
Smithfield theater owner

my income up the way it was again. I don't appreciate it."

During the past four years Buffaloe has often wondered why the USDA didn't come and offer him the incentives first to build a new theater complex.

Buffaloe believes Shallcross, who recently ran for the State Senate as a Republican, was able to get the loan from the USDA because he has a special tie to U.S. Sen. Elizabeth Dole. However, Dole's press secretary, Amy Auth, said Dole neither knows Shallcross nor has she ever received a contribution from him.

In the meantime, Buffaloe said he's tried to right what he perceives to be a wrong, but hasn't gotten very far. "It's me against the government, and I'm not going to get very far," he said. "I feel like this is what I've got, and this is what I'm going to live with. I'm still very bitter about it. I've lost either way. I can't even sell my business for what it's worth because it's taken such a hit."

Miller said it's the not the USDA's fault that Buffaloe's theater has faltered.

"The federal government did not purposefully go in and undermine [Buffaloe's] business," Miller said. "I think it's a situation where [Buffaloe] decided he wanted to buy a small business. He

bought an older business modeled under an older place and time. However, the model is not what the movie theater is going to. It was just a matter of time before a newer one came in."

There are other business owners and managers who have questioned the USDA's policies and procedures. Parker Marine in Beaufort, N.C., received an interest-free \$450,000 loan in 1999 through the USDA Rural Development Loan and Grant Program.

The loan was made based on the business employing more than 100 people at the facility.

Thomas Tayloe, vice president of Shearline Boat Works in nearby Morehead City, said his company had to secure an interest-bearing loan to start its business in 2001.

"I wouldn't call the USDA loan proper or improper, but it's frustrating," he said. "It hasn't hindered our growth, but it hasn't helped us either. It's tough to draw a parallel, but I have mixed feelings about it. I know Parker started out with very meager beginnings. It's good for him that it happened to him. He's a great guy, and I do respect him, but from the business end we could have used federal aid, too."

On the other hand, Dew Forbes, a partner and vice president of Jarrett Boats in Beaufort, said his business hasn't felt any negative impact from Parker Marine's USDA loan. In reality, he said most businesses rely on some kind of perk or tax incentive on either the local or federal government level to start up a business.

"The county secured a grant to develop water and sewer at our present location," Forbes said. "As a result other businesses came here, and it developed into an industrial park." CJ

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From the Liberty Library

• Undoubtedly the United States needs a liberal and welcoming immigration policy, geared to the needs and interests of the nation, according to authors Heather Mac Donald, Victor Davis Hanson, and Steven Malanga. In *The Immigration Solution: A Better Plan Than Today's*, these three observers argue that we have lost control of our southern border, so that the vast majority of our immigrants are now illegal Mexicans. Poor, uneducated, and unskilled, these newcomers add much less to the national wealth than they cost the taxpayers for their health care, the education of their children, and (too often) their incarceration. *The Immigration Solution* proposes a policy that admits skilled and educated people on the basis of what they can do for the country, not what the country can do for them. More information on the Web at www.ivanrdee.com.

• What happens when a Cuban doctor is imprisoned by Castro as a resistance leader and his wife must choose between helping her husband stay alive and staying with her young children? This dilemma is at the heart of the harrowing true saga of Lino and Emy Fernandez, captured in Kay Abella's *Fighting Castro: A Love Story*. For 17 years Lino fought against life-threatening cruelty and humiliation in prison while Emy tried to live with the consequences of the decision she made. See www.kayabella.com for more information.

• Not in a generation has conservatism been in as much trouble as it is at the end of the Bush years, says author David Frum in *Comeback: Conservatism That Can Win Again*. A majority of Americans say the country is "on the wrong track." Voters prefer Democrats over Republicans on almost every issue, including taxes. The married, the middle class, the native-born are dwindling as a share of the population, while Democratic blocs are rising. A generation of young people has turned its back on the Republican Party.

Too many conservatives and Republicans have shut their eyes to negative trends, Frum says, while the ideas that won elections for conservatives in the 1980s have done their job. Republicans can no longer win elections on taxes, guns, and promises to restore traditional values. It's time now for new ideas, including different approaches to several conservative hot-button issues. More details are at www.randomhouse.com/doubleday. CJ

Book review**Morgan Introduces Us to the Real Daniel Boone**

• Robert Morgan: *Boone: A Biography*; Algonquin Books; Chapel Hill; 2007; 538 pp.; \$29.95

By JIM STEGALL
Contributing Editor

RALEIGH
Daniel Boone was a man. Yes, a big man! But he didn't really wear a coonskin cap, nor was he the "rip'n-est, roar'n-est, fight'n-est man the frontier ever knew," as the theme song from the 1964 television series would have us believe.

A slim but muscular 5-foot-10, he didn't look anything like actor Fess Parker. But he did explore Kentucky, kill bears (lots of bears), and settle, for a while anyway, in Boonesboro with his wife Rebecca.

Distilling the real Daniel Boone from the cheesy popular legends associated with his name has been the most recent labor of North Carolina native Robert Morgan. The author of *Gap Creek* and other works of fiction and poetry set in the Appalachian region has crafted a readable yet authoritative biography of one of the nation's first popular heroes.

Boone: A Biography reveals a man whose life story is far more interesting than the tall tales it inspired. However, it's no hagiography. Morgan's Boone is an extraordinary man, but a man nonetheless, and this biography explores Boone's foibles and chronicles his failures as meticulously as it celebrates his achievements.

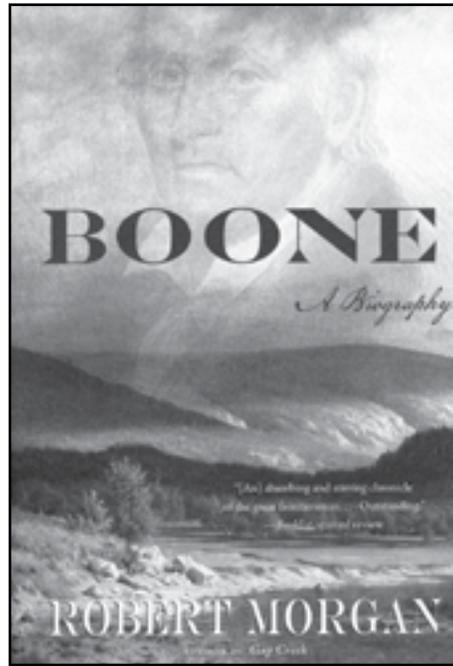
Daniel Boone was one of 11 children born to a family of English Quakers who had settled in the Pennsylvania backwoods in 1713. Like many newly minted Americans in that region, Boone's family eventually moved south, climbing the narrow valleys leading to southwestern Virginia and northwestern North Carolina in search of new lands and the prosperity that could be wrested from them.

Never a fan of farm work, young Daniel spent his youth in the woods, hunting and exploring, meeting and befriending (and learning from) Indians, and developing the traits and skills that would enable him to master the unforgiving frontier environment.

Boone's career as a hunter and explorer really took off in 1769 when he left his rude home in North Carolina's Yadkin River valley to explore the land which became Kentucky. While he was not the first "white man" to explore the area, his explorations and subsequent settlements were among the most important.

The years he spent hunting, exploring, and surveying Kentucky provide the backdrop for most of the incredible vignettes that were spun about him.

Not that his story needed any spinning. His 1769 trip actually lasted



Morgan's book has been criticized from the left for not waxing indignant enough over Boone's role in a number of crimes against political correctness. To modern lefties, Boone desecrated a pristine natural environment, killed prodigious numbers of animals, ate their meat, and (horrors!) not just wore but traded in their fur. Worse, we learn that at one point Boone actually owned as many as seven slaves.

two full years, during which he twice made and lost (to Indians) a fortune in furs. In 1776 his daughter Jemima and two other girls were abducted by Indians; Boone led a party of his fellow settlers to track down and recover the girls within days.

A few years later Boone himself was abducted by Shawnees, and while in captivity became the adopted son of the tribal chieftain. When he learned some months later that the Indians were preparing to raid Boonesboro, he escaped

to warn the settlers and organized the successful defense of the settlement. Morgan's factual account of these and other episodes easily surpasses anything Hollywood could have dreamed up.

And yet, the legends surrounding Daniel Boone seemed to spring up even before the lands he explored were settled. His fame eventually became a bother to him. Once, when he was read an overly dramatized account of his supposed exploits written by an enthusiastic admirer, Boone is reported to have said in embarrassment, "Such productions ought to be left until the person was put in the ground."

Unfortunately for Boone, his success in making Kentucky safe for western civilization proved to be his undoing, as he found himself unable to live in the world his intrepidity had helped create. For all his skill in navigating the woods, he was forever lost in the world of towns, taxes, and commerce.

He had no taste for paperwork and no sense of how to handle money. He was robbed. He was sued over land and debts. He was slandered, despite his growing fame, by associates whose own dreams of riches on the frontier didn't pan out. As long as he had only to deal with hungry bears and panthers, inclement weather, and rampaging Indians, Boone was fine. But once the frontier was tame enough for lawyers, his way of life was doomed.

And that is principally why he wound up in Missouri toward the end of his life, broke and living in his son's house. Missouri in those days was about as far away from western civilization as one could get. In fact, when Boone arrived there, it wasn't even part of the United States.

Morgan's book has been criticized from the left for not waxing indignant enough over Boone's role in a number of crimes against political correctness. To modern lefties, Boone desecrated a pristine natural environment, killed prodigious numbers of animals, ate their meat, and (horrors!) not just wore but traded in their fur. Worse, we learn that at one point Boone actually owned as many as seven slaves (while trying to run his businesses in Kentucky).

One would think that leftist commentators would at least give the old guy credit for respecting Native American lifestyles, or having a very small carbon footprint, but no. Personally I consider it a strength of the book that Morgan reveals and discusses these issues forthrightly, without wasting a couple dozen pages on the forced moral outrage so popular in leftist literature.

Morgan's hand as a poet and author of original fiction shows through enough to make the story an entertaining read. By the time you put this book down, you really feel like you know Daniel Boone, or at least wish you had. CJ

Nothing Beats Being Armed With A Good Quote When Needed

I enjoy a good quote, and others apparently do, too. Many enjoyed reading the quotes regarding the nature of history in the November *CJ*. So, I have chosen a few more quotes that I enjoy and that are packed with meaning.

"A country without memory is a country of madmen." — George Santayana

"The study of history . . . not only provides knowledge indispensable to preparing political

decisions. It opens the mind toward an understanding of human nature and destiny." — Ludwig von Mises

"The study of history is the best medicine for a sick mind; for in history you have a record of the infinite variety of human experience plainly set out for all to see; and in that record you can find yourself and your country both examples and warnings; fine things to take as models, base things rotten through and through, to avoid." — Livy

"If a man could say nothing



Dr. Troy Kickler

against a character but what he can prove, history could not be written." — Samuel Johnson

"It is the professional curse of historians that they shall grope through many dark paths and read many worthless books." — Lord Acton

"History is neither written nor made without love or hate." — Theodor E. Mommsen

"Every work of history constructs contexts and designs, forms in which past reality can be comprehended. History creates comprehensibility primarily by arranging facts meaningfully and only in a very limited sense by establishing strict causal connections." — Johan H. Huizinga

"Though the outside of human life changes much, the inside changes little, and the lesson-book we cannot graduate from is human experience." — Edith Hamilton

"A people which no longer remembers has lost its history and its soul." — Alexander Solzhenitsyn

"Since history has no proper scientific value, its only purpose is educative. And if historians neglect to educate the public, if they fail to interest it intelligently in the past, then all their historical learning is valueless except so far as it educates themselves." — G.M. Trevelyan

"Ideology, claiming to base its authority on history, becomes history's greatest enemy. But the hostility is double-edged: if ideology destroys history by explaining it completely, then history destroys ideology by unfolding in an unpredictable way." — Vaclav Havel

"From the totalitarian point of view, history is something to be created rather than learned." — George Orwell

"Which is more dangerous: an historian who doesn't know any economics or an economist who doesn't know any history? — Murray Rothbard

"History is the witness that testifies to the passage of time; it illuminates reality, vitalizes memory, provides guidance in daily life, and brings us tidings of antiquity." — Cicero

"Studying history, my friend, is no joke and no irresponsible game. To study history one must know in advance that one is attempting something fundamentally impossible, yet necessary and highly important. To study history means submitting to chaos and nevertheless retaining faith in order and meaning. It is a very serious task, young man, and possibly

a tragic one." — Hermann Hesse

"To deliver examples to posterity, and to regulate the opinion of future times, is no slight or trivial undertaking; nor is it easy to commit more atrocious treason against the great republic of humanity, than by falsifying its records and misguiding its decrees." — Samuel Johnson

"Walter Bagehot's reproach that Gibbon did not know how to enter into men's hearts, and Dame C.V. Wedgwood's that the Roman historian could not sympathize with an attitude of mind not his own, are indictments that can be liberally made against modern historiography, which seems concerned to fend off the identities of the past, because it wishes to mold the future." — Michael O'Brien

"Mankind are so much the same, in all times and places, that history informs us of nothing new or strange in this particular. Its chief use is only to discover the constant and universal principles of human nature." — David Hume

"There is nothing new under the sun." — Ecclesiastes 1:9 *CJ*

Troy Kickler is director of the North Carolina History Project (www.northcarollinahistory.org).

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Short Takes on Culture

Life-Affirming 'Bella' Inspires

• "Bella"
Lionsgate
Directed by Alejandro Gomez Monteverde

Positive, uplifting films from Hollywood are few and far between these days. Even more unusual is for a film to extol the value of family and the sanctity of human life. Thankfully, a movie has come along that breaks the mold of Hollywood-style filmmaking.

"Bella" is a heartwarming story of goodness in the face of adversity and the power of love and family. The film follows the plight of Jose, a once famous soccer star who now serves as a cook at his brother's restaurant and who is wracked with guilt over a tragic event that occurred in his past. Jose finds healing for his emotional wounds by helping a young woman facing an unplanned pregnancy to choose life for her child.

Although the story deals with abortion versus adoption, the film never does so in a preachy way, making it an ideal pro-life message for those more inclined to support abortion access.

While never coming off as pretentious, the main characters show how each and every human life is a gift from God. At the same time, the movie never denigrates the struggles faced by women who experience unplanned pregnancies.

"Bella" effectively communicates life-affirming values without the heavyhandedness that is often found in movies of this type.

— DAVID BASS

• "The Lives of Others"
Sony Picture Classics
Directed by Florian Henckel von Donnersmarck

First, the bad news. You have to read subtitles, it has no belly laughs, it won't get your date in the mood, and it's not for kids. So why watch "The Lives of Others," the 2006 Academy Award winner for foreign-language films?

Because it delves into the only topic Hollywood won't touch, despite being the most fertile subject for dramatic entertainment there is today: life behind the Iron Curtain.

The movie focuses on an actress and playwright who are part of East Germany's artistic elite in 1984. Despite their acclaim, there is an emptiness of spirit in them — a sense of impending doom. Their careers dominate their lives, and their success depends on the whims of the

corrupt state.

He sacrifices his integrity with his writing, while she permits the advances of a grotesque government official, and worse, for the sake of her career.

Still, there is within the playwright some force that impels him to smuggle a dangerous truth to the West, while fully aware that personal tragedy is likely. And a colorless Stasi (secret police) drone, an ambitious underling seemingly devoid of soul, runs afoul of his superiors to commit a surprising act of humanity.

So why doesn't Hollywood mine such a mother lode of drama?

Oh, I forgot. They think the bad guys won the Cold War.

— JAY SCHALIN

• *The Nine: Inside the Secret World of the Supreme Court*
By Jeffrey Toobin
Doubleday

It's hard to strike out with a book about the U.S. Supreme Court, though Jeffrey Toobin tries. Only his unintentional exposure of the court's worst flaws saves this volume from Toobin's unconcealed bias.

Our nation's highest court is so secretive and so (overly) powerful that any account of its back-room negotiations and ideological scuffles will appeal to political junkies.

Toobin shares some secrets as he attacks "extreme" conservatives and praises pragmatic liberals. He reserves his highest flattery for Sandra Day O'Connor, who never met a constitutional issue that she could not taint with politics.

"On affirmative action, she picked a result, and reached a compromise, that was broadly acceptable to most Americans. There was no formal limit on her power, but O'Connor's extraordinary political instincts let her exercise her authority in a moderate way.

"In some basic, almost primal manner, O'Connor understood that twenty-five more years of racial preferences seemed the right amount of time. ... Her judicial approach was indefensible in theory and impeccable in practice."

Toobin wants to scare readers into voting for presidents who will protect the court from right-wing ideologues. But the constitutionally baseless decisions that earn Toobin's praise should also motivate those who prefer a Supreme Court dedicated to the limitations written in the text of the Constitution itself.

— MITCH KOKAI CJ

Book review

Volume Elucidates Originalism

• Steven G. Calabresi, editor: *Originalism: A Quarter-Century of Debate*; Regnery; 2007; 360 pp; \$29.95 hardcover.

By MITCH KOKAI
Associate Editor

RALEIGH

Few people would argue that the American system of government resembles the governing structure within the Islamic Republic of Iran.

But those who fear the unchecked power of the U.S. Supreme Court see far too many similarities between our nation's unelected justices and the mullahs who make final decisions for the Persian state.

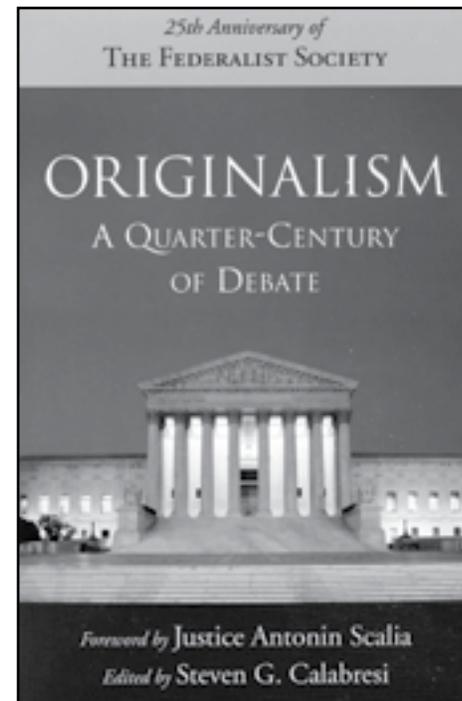
Texas law school professor Lino Graglia makes a disturbing case that recent Supreme Court rulings have made judges "the final lawmakers on any issue they choose to remove from the ordinary political process and assign to themselves for decision."

"It is not politically possible to argue openly in this country that rule by majority vote of nine electorally unaccountable lawyers in robes is an improvement on the system of government created by the Constitution," Graglia adds. "[Y]et that, incredibly enough, is the system we now have. It is a system similar to Iran's. There, too, people get to vote and elect legislators, and the legislators pass laws. But the laws are permitted to operate only if not disapproved of by the Grand Council of Ayatollahs. Here the Supreme Court performs that function."

Graglia and other supporters of a concept called "originalism" argue that the American Founders never meant to assign that level of arbitrary power to the Supreme Court. Originalists contend American judges and justices perform their duties correctly only when they rely on the text and original understanding of the laws and constitutional provisions placed before them in legal disputes.

Readers interested in the theory that underlies Supreme Court decisions will enjoy comments from Graglia and others in *Originalism*, a volume compiled to help celebrate the Federalist Society's 25th anniversary. Society co-founder Steven Calabresi assembles highlights from an ongoing debate about the merits and shortcomings of originalism, the opposing theory of the "living Constitution," and other methods of approaching constitutional law.

The book's subtitle mentions *A Quarter-Century of Debate*, and that's an accurate description of what the reader discovers inside the covers. After an introductory essay from Calabresi and a brief foreword from originalist Supreme Court Justice Antonin Scalia, the rest of the book comprises transcriptions of speeches and panel



discussions. Originalism's staunchest defenders make their case, while its chief critics offer counterarguments.

Fans of the originalist perspective might be surprised to read a full chapter highlighting remarks from former Justice William Brennan, whose legal philosophy diverged as far from originalism as possible. As the foremost champion of the school of the "living Constitution," Brennan helps provide a stark contrast to ideas espoused in most of the rest of the book.

Brennan made his mark as one of the high court's liberal lions, while Scalia stands out as a forceful conservative. It would be easy to infer that their respective judicial philosophies align directly with their ideologies. But the book's give-and-take highlights the fact that some liberals support an originalist perspective, while some conservatives reject originalism in favor of a more results-oriented judicial approach.

Former U.S. Solicitor General Theodore Olsen sums up the importance of the debate: "[T]he real power and energy behind originalism is not the desire to achieve any particular political outcome or result," he writes. "What drives originalists is nothing more, and nothing less, than the noble pursuit of a coherent and principled approach to interpreting and implementing the various provisions of our written Constitution."

Calabresi concurs. He reminds the reader that judges do not make good legislators. "What judges in theory might be good at is dispassionately interpreting legal texts and the deeply rooted traditions of the American people," he writes. "They should stick to doing precisely that."

After reading *Originalism*, you can judge for yourself whether originalism makes sense for the future of American law. CJ

For Liberty and Glory a Useful Volume for Years to Come

• James R. Gaines: *For Liberty and Glory: Washington, Lafayette, and Their Revolutions*; W. W. Norton & Co.; New York; 2007; 533 pp; \$29.95

By HAL YOUNG

Contributing Editor

RALEIGH

Biographer Joseph Ellis wrote that he grew up in Alexandria, Va., where George Washington was a self-evident truth that needed no explanation and therefore was given none. This was my own experience growing up in Camden, S.C., where the cedar tree planted by the Marquis de Lafayette in 1824 still grows in front of the courthouse, and the monument to the Baron de Kalb still rests on the cornerstone Lafayette laid. The French nobleman was part of the historical furniture of the town, but as two-dimensional as the plate-iron Indian that forms the town's weathervane.

James R. Gaines' *For Liberty and Glory: Washington, Lafayette, and Their Revolutions* rounds out the marquis' character admirably, and by linking his biography closely with Washington's, Gaines is only adopting Lafayette's own self-perception. Even when called out of semi-retirement to command a force of 50,000 troops against a Hapsburg invasion, the marquis wrote cheerfully to his former commander, "I always consider myself, my dear general, as one of your lieutenants on a detached command."

This is not a double biography, nor a single one with a significant supporting character. If anything, the book is two-thirds Lafayette (who outlived Washington by 35 years, after all) and one-third Washington. By any description, though, it is an enjoyable read and opens some less-familiar aspects of both men and both revolutions.

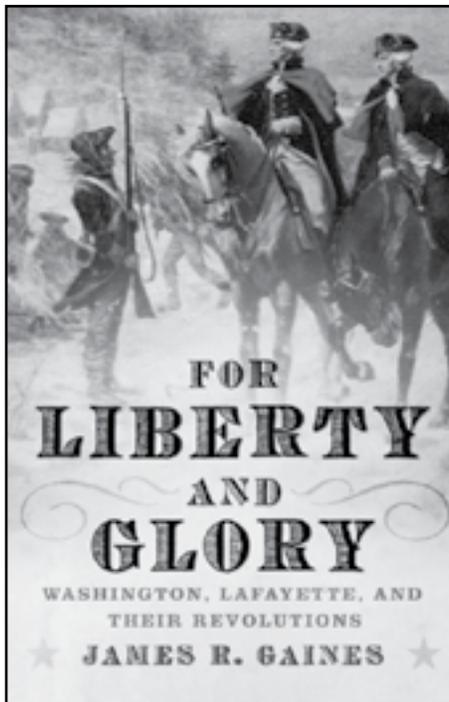
Washington, for starters, was

legendary for his reserve even in his own time, and could never be described as "warm," yet Gaines shows Washington's affection for the young marquis was equally remarked by contemporaries. While Lafayette was on leave in France in 1779, a French diplomat complimented him in Washington's presence. To his amazement, Washington actually shed tears, saying, "I do not know a nobler, finer soul, and I

love him as my own son." Yet Washington drove Lafayette as hard as any of his aides and gave him pointed advice about their political differences in later years. Gaines sees their friendship as genuine but "problematic," and therefore emblematic of the relationship between the countries.

In some ways, Washington and Lafayette were the two constants in both revolutions. Washington was the indispensable man in America; without him, the war, or later the peace, would have simply spun apart by centrifugal force of competing egos. Desperate for retirement, Washington served eight of the last 11 years of his life as the unifying figure of the new republic—a service he found wearisome but inescapable.

Lafayette, returning to France, had access to court as a member of nobility but impeccable republican creden-



tials fresh from the newly successful American Revolution. He wrote the foundational Declaration of the Rights of Man and Citizen, was considered by some as the father of the French Revolution, and as commander of the National Guard for a time controlled more real power than either the revolutionary leaders or Louis XVI. Yet in the latter role, Lafayette protected the deposed king from the rioting mobs and helped

reinstated the Bourbon monarchy at the fall of Napoleon. Like Washington, he was offered dictatorial powers more than once in his life and gained wide acclaim for turning them down. Unlike Washington, Lafayette endured years in a Hapsburg dungeon—preferable to the guillotine—before returning to his own country estate.

Gaines points out the French conducted a far greater revolution than the Americans. After all, the colonies had enjoyed extensive rights of self-governance for more than a century, professing loyalty to a king and nobility conveniently distant. In 1789, France was teetering on widespread famine, bled white by taxes to support voluptuary nobility, and still a largely feudal society. Gaines quotes a decidedly Francophile Boston clergyman, the Rev. Samuel Cooper, who nevertheless warned an

enthusiastic group of returning French officers, "Take care, young men ... We spilled a great deal of blood to win our liberty, but to establish it in the old world, you will shed it in torrents."

When it happened, America's own representatives in France divided over whether it was even worth comment or not. Thomas Jefferson showed a strange reticence about the uproars in Paris leading to the Bastille and beyond, a response Gaines calls "more wrong-headed than ideological." More accurate was the horror expressed by his Federalist counterpart, Gouverneur Morris, who wrote in his diary, "Gracious God what a people!" The division wracked Congress and Washington's cabinet, no doubt leading to his retirement after his second term.

Both countries were also making decisions about the wider significance of their revolutionary experience. Washington held a difficult course of strict neutrality between Britain and France—and their partisans and agents even within his own administration—and left a warning against entangling the nation in foreign conflicts.

Lafayette, in contrast, was convinced that France would lead a revolutionary tide of liberty throughout the kingdoms of Europe. The true tide was more like a flood surge arising from the maelstrom of post-Bourbon France, and Napoleon riding its crest straight back to monarchy.

As a former editor of *Time*, Gaines no doubt thought about America's current wars on behalf of democracy and considered whether the vision of Washington or of Lafayette was the wiser policy. Wiser still, though, he doesn't bring this into the book, leaving Iraq and Afghanistan to their own historians and *For Liberty and Glory* a useful volume for many years to come. CJ

BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



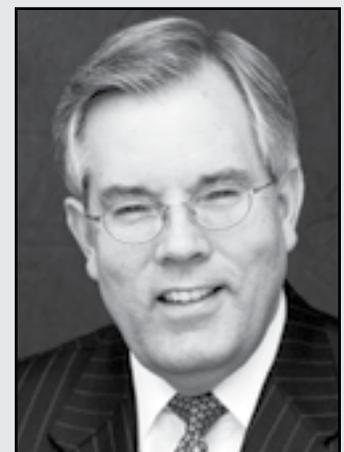
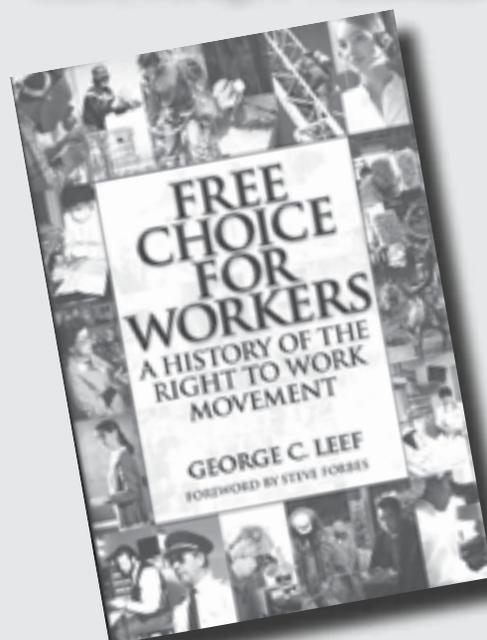
"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

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Free Choice for Workers:

A History of the Right to Work Movement



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Vice President for Research at the
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Education Policy

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Commentary

N.C. Slumbers Through Primaries

While several races are on the primary ballot in May for North Carolinians to get energetic about, the presidential competition is not one of them — yet my friends keep asking me who “my candidate” is for that contest.

What do I tell them? That as a voter, I won't have to make that decision. So if it is my in-state pals doing the asking, I tell them to chill as well.

For presidential politics, only five states — Kentucky, Nebraska, Oregon, South Dakota, and West Virginia — are less relevant than the Tar Heel state when it comes to choosing the parties' nominees. That's because their primaries are after North Carolina's own ridiculously late date, which is May 6.

So while Iowans fretted during the holidays over which candidates would best represent their principles, I relaxed with my family and focused on the King of Kings for which the season was intended.

Instead of enduring debates in which contestants mostly expressed views I'm already aware of, I ignored them and spent my time on the issues I'm interested in.

Sure, I've written a bit about Mitt Romney's Mormonism, and about Mike Huckabee's tax-raising record as governor of Arkansas, but those have been more about raising awareness for certain of their potential constituents — namely my fellow evangelicals in other states.

They were not intended as warning signs to avoid at all costs. Each of the candidates, from my perspective, carries a deep flaw on one or more issues of great importance to me.

But thanks to our local lawmakers, we voters in North Carolina likely won't have to worry about making those tough decisions. By the time May's first Tuesday rolls around, 44 other states will have made their Democratic and/or Republican party nominee choices known.

Nearly half of those states vote by Super Tuesday on February 5, when it could really be over. But if not, even American Samoa, Guam, and the U.S. Virgin Islands will have decided which candidates they support before North Carolina.

The six straggler states that scheduled their primaries late next

spring have, in effect, announced that they don't care who the party presidential preferences are. Just wake us up next November when you want us to help make the final call.

And hey, that's okay — really it is. Frankly, it's just too tough for a free-market, social conservative to decide who is worthy out of this field.

Romney has changed his positions so much it's hard to know how he'll govern.

Giuliani is the most liberal of the group, especially on social issues.

Huckabee's fiscal record as governor could be regarded as liberal.

McCain is an inconsistent conservative who still embraces limits on speech when elections approach.

Fred Thompson might be conservative enough but seems incapable of managing his own campaign, much less the executive branch.

And Ron Paul has some appeal, but there are serious questions about his viability.

So, in this group that offers no real inspiration, maybe it's better to leave the tough decisions to the rest of the country.

No need to get all worked up over something you have no say over. Besides, there is a lot to learn about many of the candidates for statewide offices in North Carolina.

Since Gov. Mike Easley cannot run again because of term limits, all who are running are new faces that most voters know little about.

So, dear friends of the Old North State, do not fret. Your esteemed elected representatives have determined that your voice is unimportant in deciding our commander-in-chief, despite the strong military presence here.

They don't care, so neither should you.

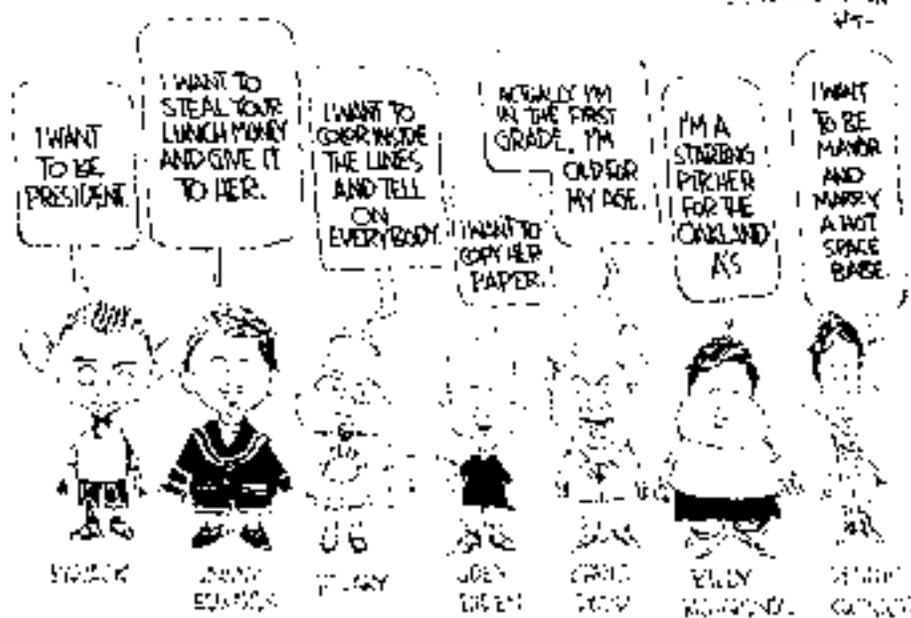
Relax with the family. Be a mildly interested observer. Learn more about the gubernatorial and other local candidates.

And when the rest of the country has decided who will play in the presidential Super Bowl in November, you're welcome to start caring then. CJ



Paul
Chesser

Paul Chesser is an associate editor of Carolina Journal.

OBAMA'S KINDERGARTEN CLASS**Editorial****Beware Study Committees**

Mark Twain gave us the quip: “No man's life, liberty, or property is safe while the legislature is in session.”

But as we enjoy the current break in North Carolina's legislative activity, we're reminded of another adage: “Be careful what you wish for.”

Fans of limited government should be thrilled that lawmakers have no chance to restrict our liberty or take our property before the 2008 legislative session starts in May. Barring a special session, the General Assembly will return to work 245 days after approving its last bill, a multimillion-dollar tax incentives package for tire manufacturers Good-year and Bridgestone Firestone.

That's 245 days of freedom from spending increases, tax increase proposals, and overly burdensome regulation changes. Great news? Not necessarily.

A 245-day respite from legislative action suggests that the Legislative Building's doors are locked and that all legislators have been chased back to their home districts. Unfortunately, that's not the way lawmakers work.

The break between legislative sessions instead serves as an incubator for new schemes to involve state government in our lives. Legislative leaders set up study commissions to investigate some of the most controversial issues lawmakers will face in 2008.

The calendar for one recent week of legislative activity offers a taste of how active the Assembly can be when it's not working.

While most of us were closing our final deals, making our final sales, or buying our final gifts before the holiday break, lawmakers sponsored sessions on current and future state transportation policy, the future of targeted tax incentives for economic development, the funding formula for the state's public school systems, and state laws for raising revenue.

It's no crime for legislators to gather information. There's nothing wrong with lawmakers considering pros and cons of potential legislation. Long-running study committees could give legislators with different viewpoints weeks, even months, to haggle over the best ways to approach some of North Carolina's most serious challenges.

Here's the problem: The study committees don't necessarily reflect the range of opinion represented by the entire Assembly. Legislative leaders decide which topics to study. Legislative leaders choose which of their colleagues can lead the debate. They even decide whether any critics of controversial proposals will have a seat at the debating table.

Another example should help make the point. A study group called the Legislative Commission on Global Climate Change could have a major impact on North Carolinians' lives. That group has been studying global warming and trying to map a strategy for this state to cope with any dangers potential warming might produce.

Global warming is a hot topic, if you'll pardon the pun. You might expect the study commission to feature some “heated” debate about strategies that could force North Carolinians to change the way they drive, pay more for their heat and electricity, and undergo other forced transformations.

But some of the fiercest critics have not had a chance to debate. Only nine of the state's 170 legislators are members of the study commission. Only two of the Assembly's 71 Republicans have seats at the table. When the study commission finalizes its recommendations, we should not be surprised when they fail to reflect the range of opinions represented by our elected leaders.

Yes, we should be happy lawmakers are not in session. But that doesn't mean safety for our life, liberty, and property. CJ

Drive Your Own Health Care

Consumer-driven care is a promising concept in insurance

The future of consumer-driven health care rests on the ability of consumers to, well, drive rather than just ride. The early evidence is promising.

While the specifics are complicated, the basic concept behind consumer-driven health care is simple enough: Health insurance ought to be insurance. As with other insurance products, health insurance ought to be used to hedge unforeseen risks with big price tags. Homeowners insurance isn't designed to pay for replacing shingles or cleaning gutters. Auto insurance isn't designed to pay for oil changes and tire rotation. Life insurance is a bet that you hope not to collect from (assuming you buy only term coverage, which you should).

Consumer-driven health plans come in at least two flavors: health savings accounts (HSAs) and health reimbursement accounts (HRAs). The major difference is that HSAs are owned by individuals, HRAs by employers. But both seek to use tax-free cash rather than insurance claims to pay for routine medical expenses, reserving insurance for its more appropriate role of covering emergencies and major medical procedures.

Some critics of consumer-driven health care just don't understand what it is. They see only deductibles and co-pays going away, not additional dollars flowing to employees to pay for routine care. They are under the impression that \$85 drugs and \$125 doctor visits really cost \$15.

Employees at the John Locke Foundation have had their choice of an HRA and HSA plan for several years now. There were some early snafus, as might have been expected, but for the most part JLF folks are satisfied. They value the additional control they can exercise over a substantial portion of their compensation (one of the major benefits of consumer-driven plans is to reinforce the point to employees that health insurance is another way to get paid, not a gift).

As local providers have become more familiar with the experience of patients spending cash rather than filing lengthy and convoluted claims, plan operations have gotten smoother.

Every year, more and more health-care consumers will be moving from the passenger's seat to the driver's seat. That's one shift to the left worth celebrating. CJ

School Solution? Cut Taxes

Spending like drunken sailors certainly hasn't worked

Despite all the additional taxpayer money plowed into U.S. public schools, there is no evidence whatsoever of any significant improvement in public education's ability to produce well-educated high-school graduates.

Consider all the things that happened during the 1971-2004 period. We listened to numerous presidential commissions and "education governors." The first participants of Head Start and other much-ballyhooed preschool programs entered high school. States raised average teacher pay, cut class sizes, switched curricula, embraced diversity, rearranged classroom chairs and desks, redesigned school buildings, bused children across town for socioeconomic balance, began annual testing programs, consolidated small districts into larger ones, encouraged businesses to adopt schools, and installed gobs of new technology.

All of this had essentially no lasting effect, as measured by performance in core subjects and graduation rates.

There are really only two possible conclusions to be drawn from these data.

The first possibility is that virtually all of the school-reform energy of the past three decades has been misspent. Policymakers shouldn't have simply

tried to make a government-monopoly education system work better. If doubling real investment and trying every conceivable top-down reform didn't make a noticeable imprint on student learning, that should tell us something. It's time to take bigger steps to bust up the education monopoly through decontrol, deconsolidation, charter schools, and tax credits to promote choice and competition.

The second possible explanation is that the effect of schooling itself has been oversold. Perhaps the effects of family support, inheritance, and socioeconomics are so large that even successful school reforms can scarcely make a dent in the outcome.

Either way you look at it, the current policy mix makes no sense. We should either embrace an alternative school-reform agenda, based on academic rigor and competitive markets, or bag the whole thing and focus on strengthening families and boosting economic growth. All this time, politicians have assured us that "reforming" education would improve the economy and combat poverty. One reasonable conclusion to draw from the data is that they had the causality reversed.

Which leads to the punch line. Wait for it...

The solution is to cut taxes. CJ

Commentary

Why We Should Fight For Freedom

Is the definition of freedom a cultural construct?

Some apologists for socialists, fascists, Islamists, and petty dictators would have us think so. They employ terms such as "freedom" and "democracy" in Orwellian fashion, suggesting that using the power of government to coerce private individuals or rig elections can advance real freedom or democracy by reducing the power or resources of "undesirable" elements (be they capitalists, religious minorities, Americans, or opposition figures of all stripes).

Don't be fooled. Freedom is not an arbitrary concept or term. It does not change its meaning from continent to continent, country to country, or culture to culture. While there is plenty of room to debate specifics and measures, its basic elements are unmistakable. Freedom means the ability of human beings to interact with each other without interference by thugs with guns. Freedom is sustained where governments protect individual rights to life, liberty, and property — both those of their citizens and of foreign visitors and investors — and limit their role to providing true public goods, operating an effective system of courts to resolve disputes, and combating truly fraudulent behavior through well-defined and effectively enforced rules of disclosure.

Political and economic freedom ought to go together. In the long run, we can hope that they do — that economic liberalization in China and India will result in greater electoral and personal liberty (in the former) and less corruption and bureaucracy (in the latter). In the short run, however, there are countries with one and not the other. Political and economic freedom can be and are separately measured.

The annual survey by Freedom House does the best job, I think, of measuring and ranking the extent of political freedom and civil liberties around the world. Its research methodology generates three broad categories of countries: free, partly free, and not free. About 3 billion people, or nearly half the world's population, live in free countries. Another 1 billion people or so live in partly free countries. The remaining 2.5 billion people live in unfree countries. About half of them reside in China.

As far as economic freedom is concerned, I think the best measure is the Index of Economic Freedom produced by *The Wall Street Journal* and the Heritage Foundation. Based on 10 numerical measures, it generates a final percentage score and five categories of countries:

free, mostly free, moderately free, mostly unfree, and repressed. Unfortunately, the majority of the world's population resides in mostly unfree or repressed countries. However, average economic freedom has been improving over time in most of the world — as have living standards, which is no accident.

Again, economic freedom isn't distributed evenly across the globe. The Anglosphere encompasses all of the free countries — the U.S., the British Isles, Australia, New Zealand, and the former British colonies in Hong Kong and Singapore. Of the 23 mostly free countries, all but Japan and Taiwan are in Europe or the Americas. Most of the unfree and repressed countries are in Asia and especially Africa, a particularly tragic case.

Of all the regions on Earth, only sub-Saharan Africa has failed to make significant progress on economic liberalization over the past three to four decades. That's one reason why it is also the only region that has failed to achieve strong economic progress during the same period.

Why do my colleagues and I fight for freedom? Because it matters a great deal to us, and to everyone else. Freedom brings progress, opportunity, and happiness. Its absence brings stagnation, suffering, and desperation. The aspiration to freedom exists in every culture (though Islamic countries appear to have the greatest difficulty achieving it). Countries with relatively high ratings in both political and economic freedom include El Salvador, Uruguay, the Czech and Slovak republics, South Africa, Taiwan, and South Korea — all places that, at one time or another, seemed unlikely candidates.

In short, freedom is well worth fighting for. Won't you join us? CJ

Hood is president of the John Locke Foundation.



John Hood

Editorial Briefs

Air traffic heist

The Alternative Minimum Tax soon will explode on 20 million middle-income taxpayers if Congress fails to pass relief soon. The trouble is, Democrats need \$50 billion to do it, thanks to the "pay as you go" budget rules they imposed on themselves earlier this year, *The Wall Street Journal* reports.

Democrats reportedly are preparing a raid on the Federal Aviation Administration trust fund to offset the AMT assault on the middle class.

Airline excise taxes (on tickets and fuel, among other things) raise about \$10 billion a year. Multiply that by the five years in the pay-as-you-go budget window and you hit the \$50 billion AMT target. Even better for Democrats, this would mean they don't have to take the political heat for raising taxes on anybody else to offset the AMT.

The big problem is that the aviation excise tax is supposed to be dedicated to aviation. So amid growing airline flight delays and congestion, Congress might pilfer the airline money and use it instead to solve a political problem of its own making.

The larger point here concerns truth in budgeting, the *Journal* says. Democrats campaigned on pay-as-you-go last year as a tool of fiscal discipline, but the airline ruse shows that it is really a driver of fiscal chicanery. Its main goal is to make it all but impossible to cut taxes, thus dooming the Bush tax cuts when they are set to expire after 2010.

New age thinking

The current practice of measuring age as years-since-birth, rather than alternative measures reflecting a person's stage in the life cycle distorts important behavior such as retirement and saving, says John B. Shoven, professor of economics at Stanford University and director of the Stanford Institute for Economic Policy Research.

One alternative is to look at mortality risk, which is measured in the percentage chance of dying within a year. With this measure, the huge wave of elderly forecast for the first half of this century doesn't look like a huge wave at all. By conventional 65-plus standards, the fraction of the population that is elderly will grow by about 66 percent. However, the fraction of the population that is above a mortality rate that corresponds to 65-plus today will grow by only 20 percent.

If labor force participation were to remain as it is today with respect to remaining life expectancy, rather than labor force participation remaining fixed by conventionally defined age, the landscape would look quite different. There would be 9.6 percent more total labor supply by 2050 in the United States. Gross domestic product would be between 7 and 10 percent higher by 2050 if retirement lengths stabilize.

In order to allow people to choose when to retire without encouraging an early departure from the work force, many ages in the laws should be indexed for demographic changes. CJ



Assessing Dueling Health Care Approaches

With the presidential primary campaigns in full gear, health care is again a main issue. Each of the major candidates has a plan for addressing the cost, coverage, and quality of modern medical care in America.

All the plans have many technical differences in provisions, funding, and coverage. However, let's look at the big picture — at fundamental philosophies that drive all proposals. I argue there are two such philosophies: a top-down centralized approach and a bottom-up, decentralized strategy. Knowing the pluses and minuses of these competing ideas will enable you to better judge any specific plan.

The top-down philosophy is best illustrated by plans that embrace a single-payer health-care system. Under this plan the government would pay for all health-care expenditures in the country. Funding would come from some form of taxation, most likely a new payroll tax shared by businesses and workers. Everyone would be included, so the issue of uninsured individuals is immediately eliminated. Also, affordability would not be an issue because the government would pay all medical costs.

Supporters of the single-payer plan see a streamlined system that eliminates many administrative costs and in which profits don't have to be paid to providers. However, critics of the top-down philosophy point to the lack of competition, which is required in any market to motivate producers to focus on consumers' needs and wants.

But the biggest concern with the single-payer system is the imbalance it creates between the quantity of health care that consumers want and the amount the government will fund. Government would have to limit health-care usage with rules about what and when care is authorized.

The alternative path to changing health care is the bottom-up approach. This philosophy says that, given enough information as well as the financial means, individuals can best make their own health-

care choices. By putting consumers of health care in charge, competition between providers will result in the highest quality and most cost-effective health care possible.

Implementing this "consumer driven" path would require changes from both consumers and providers. Universal coverage would be guaranteed by requiring everyone to purchase health insurance. Health insurance policies would be linked to individuals, not to jobs, by giving the same tax advantages to individual purchases of policies that company purchases now enjoy. For people who don't have the financial resources to buy health-care policies, government subsidies, in the form of vouchers, would be provided.

The bottom-up philosophy would also require changes in the provision of health care. In particular, health care and health-care insurance would be opened to many more types of companies and many more types of insurance policies.

Government regulations on providers would be curtailed. The idea would be to make the health-care industry more competitive and, consequently, more price-friendly.

Skeptics of the consumer-driven approach say it would create an unregulated "free-for-all" in health care with the consumer on the losing end. They question whether consumers have the knowledge to make the competitive system work in their interests and worry that profits, not people, would drive providers' choices.

In some sense, the debate between the top-down and bottom-up approaches to health care is symbolic of a wider, centuries-old clash over what kind of economic system best serves consumers. My reading of economic history gives the clear nod to individual, and not state, control, but this debate is still far from resolved in the public's mind. CJ



Michael
Walden

Michael Walden is a William Neal Reynolds distinguished professor at North Carolina State University.

Immigration The New Third Rail of American Politics

Immigration is the new “third rail” of American politics. I know, because I remember the old third rail. The old third rail was Social Security. Touch it, and die politically.

In the 1980s the Republican Party routinely devised plans in Congress to reform Social Security.

Like clockwork, when the next congressional election came around, the Democratic Party, led by Speaker Thomas

“Tip” O’Neill, demagogued the issue. Democrats pronounced with TV ads that Republicans wanted to privatize Social Security and cut or eliminate grandma’s benefit check.

Now, it’s the Democrats’ turn to touch the new third rail, immigration. It’s happening to the Democrats nationally, and it’s happening to them in North Carolina.

Congressional Republican incumbents were forced to play defense. As Lee Atwater used to say, “If you’re defending in campaigns, you’re losing!”

During the “Newt Gingrich revolution” of 1994 Republican challengers in congressional districts throughout America were schooled that “words mattered” and that the “best defense was a good offense.” So, the Republican message reflected the will of the majority of Americans that the Social Security contract must not be broken. The phrasing in speeches and advertising reflected the will of the majority.



Marc Rotterman



A key phrase that many Republicans used and continue to use today is, “We need to preserve, protect, and strengthen Social Security.” Republican incumbents and challengers alike were encouraged to “inoculate” themselves on the issue — in essence to strike pre-emptively with a positive message before they were attacked.

Still, Social Security reform remains a volatile issue with the American electorate and to some degree a net plus for Democrats. One need only look at George W. Bush’s 2005 proposal for personal savings accounts for younger workers. It was “dead on arrival” in Congress, and it fell on deaf ears with the American public.

In the 2008 election the new emotional and substantive issue that the elite politicians did not grasp (John McCain’s amnesty bill) but now is squarely in their faces is illegal immigration and its ramifications. Securing the borders and national sov-

ereignty are issues that neither party can ignore.

One can only look at how Hillary Clinton flubbed the question in a recent Democratic debate about New York Gov. Eliot Spitzer’s decision to issue driver’s licenses to illegal aliens to see the impact this issue can have on one’s national standing and poll numbers. The directive was recently rescinded by Spitzer under intense public pressure.

In the Republican presidential primary both Rudy Giuliani and Mitt Romney tried to outdo each other on the issue, but both have little credibility with the voters based on past performances while in office.

“Sanctuary cities” have been the main topic of discussion between the campaigns.

In the last Republican debate both Giuliani and Romney chose to attack each other rather than to offer substantive solutions. On the cam-

paign trail both have been supportive of a physical fence and/or virtual fence but with no date certain for completion.

Now leading the polls in Iowa and South Carolina is former Gov. Mike Huckabee, who has laid out a detailed plan for border security and enforcement. His plan also includes a date certain for completion of a physical fence.

In North Carolina, many Republican legislators in the General Assembly are trying to hold the Easley administration’s feet to the fire with respect to the rule of law and Easley’s constant attempts to circumvent the process when it comes to issuing driver’s licenses to illegal aliens.

Recently, the community college system’s lawyer issued a directive violating the law and admitting illegal aliens to community colleges if they pay out-of-state tuition. Debate is ensuing within the UNC system along the same lines.

What is clear is that illegal immigration is becoming the defining issue of the 2008 election.

Those who stand for amnesty, driver’s licenses for illegal aliens, in-state or out-of-state tuition for illegal aliens at institutions of learning, and open borders will pay a price at the polls. Conversely, those who respect the rule of law, our sovereignty, and the will of the American people will be rewarded politically when the citizens of this country cast their votes in the fall. CJ

Marc Rotterman is a senior fellow at the John Locke Foundation and a former member of the board of the American Conservative Union.

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By Roy Cordato
Vice President for Research
John Locke Foundation

Efficiency and Externalities in an Open-Ended Universe



“Cordato’s book is a solid performance, demonstrating impressive mastery of both the Austrian and neoclassical literature.”

Israel Kirzner
Cato Journal

www.mises.org

Speed Limits and Kudos

To the editor,

A true interest in improving traffic congestion will require changing the state’s insistence on making the problem worse.

Speed limits across the state still have not returned to what they were before 55 mph was imposed in the 1970s.

Many others have been reduced without justification. Often speed limits are reduced because of congestion, which makes congestion worse.

Instead of dropping the speed limit by 10 mph in congested areas, an increase of 5 mph should be tried first. The slight increase in consequences of accidents will be outweighed by the

decrease in the number of accidents.

Charles Newman
Iron Station, N.C.

To the editor,

Have always enjoyed your in-depth reporting and tell-all format. It is always refreshing to know that someone is keeping an eye on both the local and state government. Keep up the great reporting.

Richard Gabriel
Henrico, N.C.

To the editor,

What a well written piece Jon Sanders wrote on “Sometimes T.P. is Just T.P.” [CJ, Dec. 2007]. How many times in our history have we seen the problems overreaction has caused?

Keep up the excellent writing.

Edward Smith
Murphy, N.C.

Letters
to the
Editor

Parton Joins Highway Patrol to Defuse Scandals (a *CJ* parody)

By JOSEPH FRIDAY
Public Safety Reporter

RALEIGH
Recently "th'owed out" of his Roanoke Rapids theater, singer Randy Parton has landed a new gig that will keep him from having to move back to Dollywood. He's trying out as a trooper with the North Carolina Highway Patrol.

If his training goes well, Parton will become an assistant to Patrol spokesman Lt. Everett Clendenin after his probationary period is over. Clendenin said Parton's handling of the thorny issues surrounding his theater project was "professional and exemplary."

Because of that track record, Parton, age 55, will be another face and voice for the Highway Patrol, said Clendenin. He will deal with the media on traffic issues as well as the numerous scandals involving officers.

"He has a real track record for dealing with embarrassing situations," said Clendenin. "We certainly need someone with that kind of experience in our organization right now."

Parton will be known as the "Blue-light Bandit," an homage to his theater-management company name, Moonlight Bandit Productions. He will use that "handle" when making or receiving

radio transmissions.

In an exclusive interview with the *Carolina Journal* Parody Department, Parton explained what appealed to him about becoming a state trooper. "I will get my own fast car, and based on news stories I have seen, it seems you can drink and have sex while on the job," he said. "I also understand you can pick up a little extra cash by stopping folks who appear to be illegal immigrants."

Upon hearing of Parton's remarks, Clendenin said Parton apparently did not understand that drinking and sex on the job, though distressingly common among state troopers, are not allowed. He said Parton's patrol car would



Randy Parton shows off his new uniform as a probationary member of the N.C. Highway Patrol. (Another *CJ* faked-up parody photo)

help test a new device, an experimental breath-alcohol ignition interlock and illicit-sex prevention device. Similar to a Breathalyzer, it will be installed in a vehicle's dashboard and will prevent the engine from starting if alcohol is present. It will also be able to detect rapid heart beats and other audible sounds of clandestine sex in the cars of troopers, Clendenin said.

Parton said he developed an interest in the Highway Patrol after he moved to Roanoke Rapids in 2005. "There was a Highway Patrol Station between my free home and my theater, so I passed by it every day. Those troopers looked real sharp, and I thought maybe that could

be me one day if the theater gig didn't work out," he said.

Sources in State Treasurer Richard Moore's office, who asked to remain anonymous, told the *Carolina Journal* Parody Department that Moore brokered the deal with the troopers.

Prior to becoming state treasurer, Moore, who is running for governor, served as Secretary of Crime Control and Public Safety, the parent organization of the Highway Patrol, and understands its needs.

The city of Roanoke Rapids borrowed \$21.5 million to build the Randy Parton Theatre, largely because the Local Government Commission, chaired by Moore, approved the borrowing. But the project under Parton's management has failed to attract enough attendees, prompting Lt. Gov. Beverly Perdue, who is also seeking the Democratic gubernatorial nomination in 2008, to criticize Moore for approving the project.

The sources said Moore has been deeply troubled by Parton's failure to deliver a quality show and attract crowds. They said Moore knew Parton had some musical talent, but in hindsight believes Parton was just in the wrong occupation. He urged the Highway Patrol to hire Parton and give him a second chance. *CJ*

Help Us Celebrate Our Anniversary

The John Locke Foundation invites you to join us as we celebrate our 18th anniversary with two of the country's most influential commentators and authors, George Will and Peggy Noonan. Will headlines our Charlotte anniversary event in January and Noonan keynotes our Triangle event in February.

George Will



January 10, 2008

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Peggy Noonan



February 16, 2008

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