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Fraud Found in Lunch Programs

Review shows many families lie when applying for free and reduced school lunches

By DAVID N. BASS
Associate Editor

Raleigh Many families in North Carolina lie about their income when applying for the free and reduced-lunch program in public schools, and a lack of oversight by government officials allows the fraud to go unchecked, an investigation by *Carolina Journal* shows.

The free and reduced-lunch program, one of the federal government's most expensive food entitlements, is meant to help low-income students succeed in the public school classroom by ensuring they have nutritious meals each day. The \$8 billion per-year school lunch

program is designed for children from families having incomes at or below 185 percent of the poverty level, or for children who automatically qualify based on residential status or participation in other government aid programs.

A family of four earning \$26,845 or less per year, for example, would be eligible for free meals. The same family would qualify for reduced-price meals at an annual income of \$38,203 or less.

Some ineligible households, however, still receive meal benefits, according to verification summaries from four school districts obtained by CJ.

The documents show that two out of three households verified during the 2007-2008 school year had their school

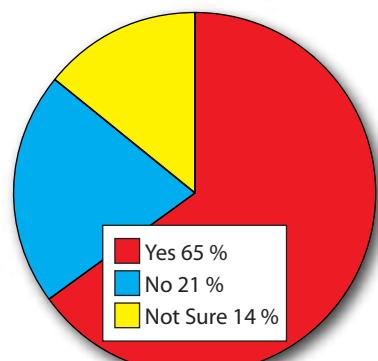
lunch benefits reduced or revoked because they reported incorrect income or refused to substantiate their income claims.

The results are similar for the 2006-07 school year, when 61 percent of applicants failed to respond to the verification request or provided income data that triggered reduction or revocation of meal benefits.

School districts take the verifications from about 3 percent of all approved applications. Officials first select "error prone" applicants, meaning households that have annual earnings

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Roanoke Rapids Resident Sues Parton for Fraud

Businessman's suit also names others in theater project

RALEIGH

A Roanoke Rapids businessman filed a lawsuit June 19 against entertainer Randy Parton and his business associates alleging they fraudulently obtained public money to build a theater in the city.

The North Carolina Institute for Constitutional Law, a nonprofit public-interest legal organization based in Raleigh, is representing businessman Jim Garrett at no charge and filed the suit in Halifax County Superior Court.

At a press conference at the institute's headquarters in Raleigh, Jeanette Doran, a lawyer for the institute, said Parton and his associates were involved in a "complex multiyear fraudulent scheme." Parton, of Sevierville, Tenn., is a younger brother of country music star Dolly Parton.

In addition to Parton, the lawsuit names as defendants former state-funded regional economic developer Richard "Rick" G. Watson; Cary-based lawyer Ernest C. Pearson; Moonlight Bandit Productions, LLC and related companies; and the Northeastern North Carolina Regional Economic Development Commission and its related or-

North Carolina

Fraud Found in N.C. School Lunch Programs

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within \$1,200 of the income eligibility limitation, and then proceed to the entire pool of applicants. To verify each household, officials request documentation to justify the income level adults reported initially on the application.

CJ reviewed verification summaries from four school districts: Buncombe County Schools, Charlotte-Mecklenburg Schools, New Hanover County Schools, and Wake County Schools.

Thirty-two percent of applicants in the four districts had their benefits reduced or revoked after giving income evidence that differed from the amount reported on the applications, and 37 percent did not respond to the income verification request. That means nearly seven in 10 applicants could not or would not justify their income to school officials.

Conversely, 28 percent provided proof that backed up their original report of income. Another 3 percent offered evidence that increased their benefits.

Charlotte-Mecklenburg Schools had the largest number of households, 479 out of 704 verified, which either did not respond or sent income evidence that reduced or repealed benefits. New Hanover County Schools had the largest percentage of applicants, 89 percent, whose benefits were reduced or eliminated because of non-response or differing income data.

Lynn Hoggard, section chief for Child Nutrition Services at the State Department of Public Instruction, attributed the income discrepancies to mistakes by applicants, such as misestimating weekly or monthly income.

"Where you have to be very careful is when you're looking at a very focused sample, whose income falls very close to the income eligibility guidelines," she said. "There are many who would say we are looking in an inequitable manner."

No proof? No problem

Federal guidelines require adults only to self-report household income on school lunch applications. No proof of income, such as a pay stub or W-2 form, is necessary to get the benefits. That's in contrast to other federal entitlements, including the Food Stamp Program, which require applicants to document their income status to participate.

School officials said they have scant leeway to verify income after participants join the free and reduced-lunch program. Aside from the 3 percent verification requirement, school officials can pursue verification for cause if there is evidence of fraud on an application. The districts investigated by CJ took advantage of this option only a handful of times out of tens of thousands of applications.

According to child nutrition officials in each district, Buncombe County Schools and Charlotte-Mecklenburg Schools conducted no verifications for cause during the last two school years. Wake County Schools verified two applicants for cause this school year and less than 10 last year, while New Hanover County Schools verified no applicants for cause this year and an unspecified number last year.

One possible deterrent to cheating on free and reduced-

lunch applications is a certification statement that parents are required to sign promising that their reported income level is accurate. The statement warns that adults "may be prosecuted" if they "purposely give false information."

But according to Food and Nutrition Service at the U.S. Department of Agriculture, the federal agency that oversees the free and reduced-lunch program, no parents have been prosecuted in North Carolina for falsifying information when applying.

If school officials spot possible fraud on applications, the district is responsible for reporting it to the state attorney general's office for prosecution, according to the USDA.

School officials, however, are cautious about verifying income or pursuing potential fraud. Marilyn Bottoms Moody, senior director of Child Nutrition Services for Wake County Public Schools, said she couldn't ask for proof of income beyond what the federal guidelines allow.

"We are mandated to do the 3 percent verification, but I can't act beyond that," she said. "In the past, there were a couple agencies that tried to confirm income, and they were shut down."

Hoggard also said that federal guidelines govern the verification process. "The federal language determines the percentage that we can verify," she said. "The instructions to our state agency have always been to pull the specific percentage. We're instructed that over-verification is not allowable."

A representative of the USDA disagreed, saying school officials would not be challenged for increasing the percentage of applications verified.

In addition to confusion over which governing body is responsible for prosecuting fraud, it's unclear which penalties parents face if they are prosecuted. The application for free and reduced-lunch does not specify punishment levels or types.

In contrast, the application for food stamps in North Carolina is detailed in its description of consequences for giving fraudulent information: up to \$250,000 in fines and 20 years in prison.

The entire process is damaged'

The free and reduced-lunch program is particularly controversial in Wake County, where the school board uses school lunch eligibility as one basis for student assignments. Supporters say that mixing students from different socioeconomic backgrounds will boost academic performance, but opponents say there is no evidence the strategy works.

According to Wake County's free and reduced-lunch verification summary for the 2007-08 school year, 64 percent of applicants — 264 of 412 households — had their benefits reduced or revoked for failing or refusing to provide proof of income that matched the amount on the application.

The rate is even higher for the 2006-07 school year. Out of 420 applicants, 117 did not respond, and 163 responded with income data that reduced or revoked their benefits, meaning 67 percent of households failed or refused to verify their income with the school district.

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Fraud Found in North Carolina's School Lunch Programs

Continue from Page 2

"This really calls into question the schoolboard's assignment policies," said Tony Gurley, a Wake County commissioner, in response to the verification data. Gurley and other county commissioners have tussled with the school board over a host of issues, including school construction funding.

"If free and reduced-lunch is not a valid indicator of socioeconomic status, then the entire process is damaged," he said.

Ron Margiotta, a school board member representing the southwestern part of Wake County, also questioned the reliability of using free and reduced-lunch data as an indicator of poverty.

"We are busing children all over the county based on their socioeconomic status, yet it appears our system for identifying these students is flawed," he said. "We should immediately review these numbers and our present process."

School board member Patti Head, a supporter of the socioeconomic diversity policy, said she thought that Wake County was abiding by federal regula-



The Wake County School Board (above) and others in N.C. use free and reduced-lunch statistics to infer socioeconomic status.

tions on free and reduced-lunch.

"I'm not trying to pass the buck," she said. "These numbers are interesting, but I would have to refer back to Child Nutrition Services or DPI and ask those sorts of questions of them."

Asked whether free and reduced-lunch is an accurate indicator of family income, Head said, "I do believe free and reduced-lunch is a way of looking at a person's socioeconomic status, and that's why we've chosen it as one of the factors in our policies and pro-

cedures."

Hoggard, however, said that school districts should use a socioeconomic factor other than free and reduced-lunch percentages to determine student assignments.

"I have a high level of confidence that students in free and reduced-lunch are eligible to be so," she said. "When we begin to use that figure for other purposes, it takes a toll on the program. Families with children who need the food become reluctant to divulge their

information for fear that it could be used in a manner they did not agree to originally."

School districts benefit from having students in free and reduced-lunch because the program is associated with additional taxpayer dollars. Schools with a higher percentage of free and reduced-lunch students receive a larger discount on the federal government's E-Rate program, which is meant to provide telecommunications services for schools and libraries. CJ

Roanoke Rapids Businessman Sues Randy Parton and Others

Continued from Page 1

ganization North Carolina's Northeast Partnership.

Roanoke Rapids borrowed \$21.5 million to build the Randy Parton Theatre and last year turned it over to Parton to operate. His show debuted in July, but attendance was low.

Unhappy with Parton's management, the city severed all ties with Parton earlier this year and renamed the facility the Roanoke Rapids Theatre. The city is struggling to find the right shows and management to make enough revenue to repay the debt on the 1,500-seat theater. City officials acknowledge that property tax increases are necessary to offset losses from the project.

Garrett filed the action on behalf of himself, the city, and its taxpayers. He asked the court to declare the original agreement between the city and defendants void because it was the product of a conspiracy and fraudulent conduct by Parton and his associates. He also asked the court to appoint a person to calculate all losses incurred by the city and for the court to order Parton and the others to reimburse the city for those losses.

The lawsuit alleges that Parton, Watson, Pearson, and various business entities they were involved in, began "scheming" in 2004 to fraudulently lure a city into a theater project so they could profit at the expense of taxpayers. To carry out their plan, the suit alleges, they made false statements, withheld material facts, breached their fiduciary duties to taxpayers, and ignored sub-

"We will be representing Randy Parton and the Moonlight Bandit Companies, and we look forward to defending these claims."

Nick Ellis
Lawyer for Randy Parton

stantial conflicts of interest.

The lawsuit alleges that Parton and his associates were "dealing with pervasive conflicts of interest surrounding the scheme," and withheld important details from the public. The suit specifically claims that the defendants knew or should have known that "Parton had no management experience, that he had a reputation for unreliability in the entertainment world and that his history of alcohol abuse was a continuing problem."

The lawsuit states that Watson was the business manager for Randy Parton's company at the same time he was recruiting Parton on behalf of North Carolina. Watson was president and CEO of the state-funded Northeast Commission, a regional economic development organization that has its headquarters in Edenton, when the Parton Theatre project was proposed.

Records show Watson began working with Parton in August 2004 or before, in his capacity as an economic developer. Watson has acknowledged that he was responsible for the theater concept and

for recruiting Parton to participate.

In 2005 Parton formed Moonlight Bandit Productions and four related companies to handle his business in North Carolina. Watson solicited proposals for a theater project from the 16 counties covered by his commission and he and Parton eventually settled on Roanoke Rapids.

The city signed an agreement with Parton on June 30, 2005, but some details were not revealed until last year. The agreement gave Parton and his associates the option to purchase the facility for \$1 after the \$21.5 million debt was paid. Parton would receive an annual "artist fee" of up to \$1.5 million. The city also agreed to furnish Parton with an "acceptable, fully furnished home" and an "acceptable vehicle." Private donors eventually paid for the home and vehicle.

Pearson served as legal counsel to the Northeast Commission at the same time he was being paid by Parton and the city for legal work on the project. Both Watson and Pearson obtained ownership interests in Moonlight Bandit

Productions and the other companies set up to operate the theater.

Earlier this year the city terminated its relationship with Parton and agreed to pay him \$750,000 to settle any claims he might have over his dismissal. Parton moved back to Tennessee. He does not appear to be employed.

"We will be representing Randy Parton and the Moonlight Bandit Companies, and we look forward to defending these claims," Parton's lawyer, Nick Ellis, told *Carolina Journal*.

When asked about the lawsuit, Watson said that he had no comment and that he had not yet decided on a lawyer to represent him. Pearson did not return a call seeking comment.

Watson's employment with the Northeast Commission ended in March 2006. The General Assembly created the 19-member commission to facilitate economic development in a 16-county region. The House speaker and Senate president pro tem each appoint six members, and the governor appoints seven. As of press time, the commission's communications director, Anita Johnson, said her organization had not prepared a statement about the lawsuit.

Garrett owns a property management firm serving the Roanoke Rapids area. He is politically active, attends most council meetings, and twice ran unsuccessfully for city council. He also operates an Internet site named 27870.com, which he describes as a community bulletin board where citizens can discuss a variety of topics. The theater has been a hot topic. CJ

North Carolina

Veteran Career Fairs Help Servicemen Transition to Civilian Life

Recruiting events aid servicemen entering job market

By DAVID N. BASS
Associate Editor

RALEIGH Transitioning from active duty to the private workforce can be challenging for soldiers and their families. RecruitMilitary, a military-to-civilian recruitment firm, is easing the burden for N.C. military families by bringing free career fairs to Charlotte and Raleigh this summer.

The hiring events are designed to match soldiers who are leaving the service, or veterans looking for a new job, with employers in the private sector. The U.S. Census Bureau reports that North Carolina has more than 750,000 military personnel now living in civilian life.

RecruitMilitary attracted some of those veterans with job placement events in Charlotte on June 5 and in Raleigh on June 26. Two more events are scheduled for Charlotte on Aug. 28 and Dec. 4.

The career fairs are designed to help job seekers with military backgrounds, such as active-duty soldiers leaving the service, veterans who have been out for years, and military spouses, said Robert Walker, director of career fair sales for RecruitMilitary.

"The skills veterans have make them great job candidates — they're trainable and have discipline and leader-



Participants in the RecruitMilitary event meet with recruiters from 30 companies in Charlotte on June 5. (Submitted photo)

ship capabilities," Walker said. "Many companies are looking specifically to hire veterans because they know their quality."

Larry Slagel, vice president of career fairs for RecruitMilitary, said that transitioning from the military to the private sector is a challenge, but that veterans offer valuable skills that attract companies.

"The skills really translate well into just about every other opportunity out there in the world right now," he said. "Companies like the leadership ability and the ability to guide toward a common goal that former military personnel bring to the table."

More than 30 companies participated in the Raleigh event, including

IBM, Walgreens, and Aflac. The fair was produced in cooperation with The American Legion, the U.S. Department of Labor, and the Military Spouse Corporate Career Network.

Several hundred veterans attended the Charlotte event, which was conducted in the clubhouse of Lowe's Motor Speedway. RecruitMilitary has conducted events in Charlotte five times over the last two years, Slagel said.

"It's been an absolutely super event. There is always a great outpouring from the clients who attend, and great attendance from the veteran base in that region," he said.

Nationally, the firm organized 45 career fairs, attended by more than 500 organizations, last year. The com-

pany has scheduled 104 career fairs for 2008.

The most well-attended career fairs are in cities such as Atlanta, San Diego, Dallas, and Denver, Slagel said.

In addition to helping military personnel, RecruitMilitary works with hiring managers and executives to determine which applicants would best meet the needs of each business. The company also maintains a database of self-registered job seekers who have military backgrounds.

The firm is entirely owned and operated by former military members. Slagel and Walker, both veterans, said it was tough switching from military life to the private workforce, and there wasn't a company like RecruitMilitary around to help.

"The first thing you think about is where to go, who will hire me, and how do I sell myself," said Walker, who retired from the Army in 1996. "Groups like ours become the means of bringing veterans and companies together."

Slagel served as a tank officer in the Marine Corps seven years before transitioning out in 1993.

"It's a very scary time for people just getting out. They've been away from home, maybe doing tours of duty in Iraq and Afghanistan, and they don't have a chance to read up on interviewing skills," he said. "They don't know what's out there, but there are tons of companies looking for the skills and abilities that veterans offer."

For more information, visit: <http://www.recruitmilitary.com/> CJ

JLF Analyst Suggests Climate Commission Changes

Legislators consider bill to reauthorize climate study group

By CJ STAFF

RALEIGH Lawmakers should not extend the work of their state climate commission, unless that group stops ignoring the will of the legislature and starts doing the job it was assigned to do, a report by the John Locke Foundation says.

"North Carolinians deserve legitimate, thoughtful work on an issue of such magnitude," said report author Daren Bakst, JLF legal and regulatory policy analyst. "Unfortunately, the North Carolina Legislative Commission on Global Climate Change has not conducted that type of work. The General Assembly should demand legitimate, thoughtful work from this group or shut it down."

Formed in 2005, the climate commission saw its legislative authorization

expire April 15. Supporters filed House Bill 2529 to allow the commission to continue working until April 1, 2009.

That original mandate included important analysis that has been ignored during the past three years, Bakst said. "There has been no discussion or analysis

to clarify the impact any state policies would have on global warming," he said. "In other words, no one on the commission can say that any of the policies they're pursuing would have any impact on reducing the increase in global temperatures."

The climate commission also ignored the Assembly's 2005 mandate to study the costs and benefits of any state actions designed to address climate change, Bakst said. "Instead of conducting a legitimate cost-benefit analysis, the

"There is no vote for consumer or taxpayer groups. No conservative and free-market views are represented."

Daren Bakst
JLF legal and regulatory policy analyst

commission has primarily looked to analysis from an advisory group controlled and directed by a global warming alarmist organization," he said. "That alarmist organization not only failed to conduct a cost-benefit analysis, it also selected all of the policy options that the advisory

group chose from an independent process."

Rising energy costs make a cost-benefit analysis critical to the commission's work, Bakst said. "With gasoline at about \$4 per gallon and summer electric bills about to kick in, it is irresponsible to consider climate policies that would increase energy prices drastically," he said. "The commission should examine and identify the impact that those proposed policies would have on energy costs in North Carolina."

Lawmakers should also restructure the commission's membership, Bakst said. "At least 10 left-of-center groups or individuals have a vote on the commission," he said. "There is no vote for consumer or taxpayer groups. No conservative and free-market views are represented. Fairness and balance dictate that the commission should represent a wider range of views."

With or without new viewpoints, the commission should permit members to submit minority reports, Bakst said. "The option of presenting a minority report would allow commission members to distinguish the ideas they support from those they oppose," he said.

Commission members should also be required to submit a final report, rather than incomplete, misleading interim reports, Bakst said. "An interim report offers the global warming alarmists a clever way to hide the whole picture from other commission members and from the General Assembly," he said. "Rather than assessing all climate change policies as a whole, policies based on interim reports can hide the true costs." CJ

JLF Report: AG's Experts' TVA Emissions Data Misleading

By CJ STAFF

Forcing the Tennessee Valley Authority to reduce emissions from its coal-fired power plants would create far more costs than benefits, according to a new John Locke Foundation Policy Report.

The report directly contradicts "expert" opinions N.C. Attorney General Roy Cooper cited when filing a lawsuit against the TVA in 2006.

"The attorney general's experts grossly exaggerate potential benefits from power plant emissions reductions, ignore evidence that contradicts their assumptions, and misinterpret study results to make their case," said report author Joel Schwartz, visiting fellow at the American Enterprise Institute and JLF adjunct scholar.

"This new analysis should shed some light on the true costs of forcing power plant emissions reductions for little or no apparent benefit," said Dr. Roy Cordato, JLF vice president for research and resident scholar.

TVA operates 11 coal-fired power plants in the Southeast. The plants emit nitrogen oxides and sulfur dioxide that contribute to particulate matter and ozone in North Carolina and other Eastern states. Cooper's lawsuit aimed to force TVA to reduce its contribution to air pollution in North Carolina.

Cooper tried to bolster his case by commissioning four "expert reports," according to the JLF Policy Report. Cooper's expert reports estimated that a 65 percent reduction in nitrous oxides and sulfur dioxide emissions from TVA power plants would create \$10.9 billion in total health benefits, including fewer hospital visits, asthma attacks, and premature deaths. Cooper's experts estimated the health benefits to be 18 times greater than the annual costs of



The Tennessee Valley Authority's Kingston Fossil Plant on the Tennessee River in Kingston, Tenn., is among the TVA plants accused in a lawsuit brought by N.C. Attorney General Roy Cooper of emitting harmful pollutants across the region. (TVA photo)

emission reductions.

"In reality, the actual benefits of TVA power plant emission reductions would at best amount to only a tiny fraction of the totals claimed by the attorney general's experts," Schwartz said. "A close examination of these expert claims shows that most of them are not real."

About 98.5 percent of the claimed health benefits from emission reductions come from reduced output of a substance called particulate matter, Schwartz said. "The problem with the experts' assessment is that the particulate matter targeted by forced emissions reductions

is not harmful," he said. "Particulate matter from power plants is mostly ammonium sulfate and ammonium nitrate. Neither is harmful, even at levels tens of times greater than levels ever found in the air Americans breathe."

"In other words, 98.5 percent of the benefits claimed for power plant emission reductions depend on the false assumption that ammonium sulfate and nitrate are toxic," Schwartz said. "They're not toxic, so 98.5 percent of the claimed benefits are not real."

Schwartz also found problems with the other 1.5 percent of claimed health benefits. "These benefits come

from proposed reduction of ozone pollution," he said. "But the attorney general's expert reports exaggerate the benefits of ozone reductions. The experts assume that ozone causes premature death, even at the relatively low levels encountered in the air today. Decades of studies show this is not true."

The expert reports contend that 96 percent of projected ozone reduction benefits come from the reduced chance of premature death, Schwartz said. "Since ozone doesn't cause premature death, this is another case of the attorney general's experts citing benefits that are not real."

CJ

Report: North Carolina's Annexation Laws Favor Municipalities

By CJ STAFF

RALEIGH

N.C. law places few limits on cities and towns seeking to annex property owners by force, according to a recent report by the John Locke Foundation.

"The annexation statute goes out of its way to protect municipalities," said report author Daren Bakst, JLF legal and regulatory policy analyst. "Despite hollow claims to the contrary, the statute imposes few requirements on municipalities."

"Meanwhile, citizens fighting forced annexation can be thwarted by little-known procedural rules and large legal expenses. There is something wrong with this picture."

Bakst issued his findings as the General Assembly considered a one-year moratorium on forced, or involuntary, annexation. "As lawmakers decide

whether they support a moratorium, this report shows how the entire forced annexation process created by the annexation statute is a sham," Bakst said. "In examining the rules for municipalities of 5,000 people or more, the report shows that municipalities can basically do whatever they want when it comes to forced annexation."

Some myths involve nonexistent restrictions on forced annexation, Bakst said. "For instance, some people believe a community cannot be annexed unless it meets certain density requirements," Bakst said. "There is a slight problem with these claims—they are inaccurate. There is no such requirement."

A similar myth suggests that cities can forcibly annex only "urban" areas, Bakst said. "A municipality can annex areas that are 'nonurban,'" Bakst said. "It can even annex undeveloped land. For example, if a municipality is separated

from an unincorporated urban area by undeveloped land, the municipality can annex the undeveloped land, in many instances, so that it can grab the unincorporated urban area."

Other myths are linked to processes that supposedly protect people against forced annexation, Bakst said. "Some forced annexation apologists say property owners targeted for forced annexation get a timely, reasonable notice of the proceedings," he said. "In fact, a municipality can pass an annexation ordinance within 70 days of passing a resolution of intent to annex. Once affected property owners get notice of the initial resolution, they have, at best, 50 days notice before the ordinance is passed."

Those property owners can complain during a mandatory public hearing, but Bakst says that hearing "may be the biggest sham of the entire law."

"Before an annexation, the municipality has no obligation or relationship to the affected property owners," he said. "The affected property owners have no way of holding municipal leaders accountable. As a result, there is absolutely no reason that a municipality would care what the affected property owners have to say about an annexation. The hearing turns into a pointless venting session."

One annexation myth involves provision of city water and sewer service to newly annexed residents. "Some people think a municipality must provide water and sewer within two years of an annexation," Bakst said. "That's true only if affected property owners are paying close attention. Municipalities don't tell the property owners about an obscure detail; it requires the property owner to submit a form requesting water and sewer within five days of the annexation public hearing."

CJ

NC Delegation Watch**Myrick drives oil bill**

U.S. Rep. Sue Myrick, R-N.C., joined the debate over burgeoning gas prices by introducing legislation May 21 that would allow North Carolina, and any other coastal state, to conduct offshore oil drilling.

The bill, the Deep Ocean Energy Resources Act of 2008, would give states the option of using oil sources up to 100 miles off their shores. States would share in up to 75 percent of the revenue generated from the new sources.

"Some may say my legislation is controversial. So be it," said Myrick in a press release announcing the introduction of the measure.

"I think it is controversial for our government to do nothing while our economy grinds to a halt in large part due to the high price of gas," she said. "The American people don't want more discussions on how to lower gas prices — they want action."

Myrick introduced a similar bill in 2006 that passed the House but fell short in the Senate.

Three members of North Carolina's congressional delegation — Reps. Virginia Foxx, R-5th; Robin Hayes, R-8th; and Patrick McHenry, R-10th — are cosponsors of the measure.

At a press conference June 18, President Bush called on congressional leaders to lift the ban on domestic and wilderness drilling.

"Unless members are willing to accept gas prices at today's painful levels — or even higher — our nation must produce more oil. And we must start now," Bush said.

Price sees rail solution

Rail transit and other public transportation methods are a good way to deal with rising gas prices, according to U.S. Rep. David Price, D-N.C.

Price supports legislation that would devote \$14.4 billion in federal funding over the next five years to bolster Amtrak and passenger rail. The bill, sponsored by Rep. Jim Oberstar, D-Minn., passed the House June 11 by a veto-proof 311-104.

"We've got to give people alternatives through bus, transit, and rail," Price said in a press release.

N.C. Reps. Howard Coble, R-6th; Virginia Foxx, R-5th; Patrick McHenry, R-10th; and Sue Myrick, R-9th, voted against the bill. Six Democrats from North Carolina's congressional delegation joined N.C. Reps. Robin Hayes, R-8th; and Walter Jones, R-3rd, in voting to pass the bill. Rep. G.K. Butterfield, D-1st, did not vote.

CJ

Bankruptcies rise**Credit Crunch Hitting Small Businesses**

By KAREN McMAHAN
Contributing Editor

RALEIGH

While the nation's subprime woes and rising home foreclosures have dominated news headlines for months, attention is only now turning to the effects the credit crisis is having on businesses, particularly small businesses.

U.S. business bankruptcy filings jumped by 49 percent in April 2008 compared to a year ago, according to Bloomberg.com, citing data from the Automated Access to Court Electronic Records, operated by Jupiter eSources. Average daily filings in April 2008 were 235, compared to 158 in April 2007.

But the number of business failures might be higher than court records show. Robert Lawless, a bankruptcy law expert, said in a recent *BusinessWeek* article that bankruptcy statistics do not record the numbers of businesses that turn to out-of-court resolutions, or sole proprietors whose bankruptcies aren't considered commercial filings. Lawless said many companies have no creditors and, when they cease operations, they are not included in official government data.

Faster than consumer filings

In April 2008, Bloomberg.com reported that business bankruptcies and reorganizations in the first quarter of 2008 were the highest since the nation's bankruptcy laws were reformed in October 2005, making it harder for businesses and consumers to declare insolvency. Nonetheless, Chapter 11 filings nationwide in the first quarter of this year grew at an annual rate of 16 percent. This trend reverses a decline in bankruptcies that started in late 2005 and early 2006.

States with the highest rate of bankruptcies in the first quarter of this year, according to ACCER data, are also those most affected by the housing recession, such as California, Florida, and Nevada. Coincidentally, as Bloomberg.com reported, the unemployment rates in these states in March 2008 were higher than the national average of 5.1 percent.

While consumer bankruptcies in the first quarter of 2008 increased by 27 percent over the same period in 2007, reported the *Daily Bankruptcy Review*, business bankruptcies rose by nearly 45 percent.

Credit squeeze

In its 2008 nationwide survey of 500 small and mid-size business owners, the National Small Business Association reported that more than one-third of companies with four or fewer employees cannot get the financing they need. Com-



"The Triangle seems to be an economic island. The economy declines later and recovers sooner than areas to the east and west of the Triangle."

Franklin Drake
Smith Debnam law firm

panies with four or fewer employees have the most difficulty. That represents 39 percent of companies.

While banks have tightened their lending requirements, so has the U.S. Small Business Administration. According to 24/7 Wall St., SBA loans to small businesses decreased by 18 percent over the last year. The NSBA reported that the average SBA loan size steadily declined over the past four years, and that 368 banks have dropped out of SBA programs in the past two years, forcing more business owners to use personal credit cards.

The NSBA survey shows that 55 percent of business owners have felt the credit crunch. The single greatest source of financing for small businesses in 2007 was credit cards, more than business earnings or business loans. Over the past 12 months, 44 percent of business owners said they had used a credit card to finance their business, while financing through bank loans decreased from 45 percent in 1993 to just 28 percent in 2008.

In North Carolina

Business and consumer bankruptcies have also been rising in North Carolina since 2005, according to bankruptcy lawyers in Raleigh and Wilmington.

Jeff Rogers, a partner in the Raleigh law firm of Smith Debnam, specializes

in bankruptcy. Rogers said the credit crunch has hit small businesses more than others. Franklin Drake, a partner in the same firm, said "their distress mimics individuals' distress."

"The Triangle seems to be an economic island. The economy declines later and recovers sooner than areas to the east and west of the Triangle, which are seeing a large increase in business and consumer bankruptcy filings, except for tourism-based businesses," Drake said. Still, the Triangle is experiencing an increase, just not as sharp as in other parts of the state.

Both Rogers and Drake attributed the problem to a combination of factors, including lack of access to credit, a decrease in real estate values, and lower consumer discretionary spending.

As consumers cut spending, business sales decline and businesses have a harder time getting credit because their sales are down, yet they need credit to stock their shelves and increase their sales.

"Small businesses are notorious for financing their businesses with home equity loans, lines of credit, and credit cards," Drake said.

Algernon Butler III, a partner with Butler and Butler LLP in Wilmington, specializes in business and consumer bankruptcy. Butler is a Chapter 7 trustee for the U.S. Bankruptcy Court for the Eastern District of North Carolina. "The number of bankruptcies across the board is much higher," Butler said. "We are well on the way to exceeding the number of bankruptcies prior to the 2005 bankruptcy reform."

Like Rogers and Drake, Butler said that many of the credit problems stem from declining real estate values.

Small-business woes

The problems of large financial institutions and corporations tend to garner the most attention, but economists and small-business advocates say that politicians, the media, and the public should be paying more attention to small businesses.

Over the past few years, critics point out that North Carolina has handed out millions in incentives to large businesses while largely ignoring the needs of small businesses.

But small businesses power the economy. "Over the past 15 years small business has created 21.9 million jobs, while large business only created 1.8 million," according to the National Small Business Association, and they comprise "99.7 percent of all employers."

Political candidates are promising higher taxes as one mechanism to boost the economy, but 40 percent of small-business owners, according to the NSBA survey, said the most important issue to them in the upcoming election is reducing the tax burden.

CJ

Tuerck: Most Global Warming Economic Analysis ‘Shameful’

RALEIGH — David Tuerck, chairman of the economics department at Boston's Suffolk University and executive director of the Beacon Hill Institute, oversaw a study that finds North Carolina leaders are considering climate-related policies that could cost the state 33,000 jobs, \$502.4 million in annual investment, \$2.2 billion in real disposable income, and \$4.5 billion in real state Gross Domestic Product by 2011. He discussed the economics of climate change policy recently with Mitch Kokai for Carolina Journal Radio.

Kokai: We often hear a discussion about the science of global warming, but we rarely hear about the economics of this debate. Why is it important to address the economic issues?

Tuerck: Well, it's important for two reasons. First of all, the science makes claims about the adverse effect on world economies of global warming, and the scientists that are arguing for climate change legislation repeatedly tell us that if we don't do something to slow global warming that it will have adverse effects on the economy. And it's also important because the very proposals that the scientists are making and are backing will themselves have adverse effects on the economy. At the end of the day, we have to do two things. We have to, first of all, determine whether the proposals that they're putting forward would make a difference. And second, we have to determine whether or not those proposals would in fact improve the economy or worsen it. That's the task that everybody faces who's responsible for making decisions about climate change policies.

Kokai: Do you get a sense that not enough work has been done so far to measure economic costs and benefits?

Tuerck: Well, I get the sense that the proponents of climate change legislation, in an honest moment, will try to walk away from the whole job of projecting net benefits to the economy. And that's because, first of all, the very question [of] whether the climate is warming is in doubt, the question whether this is caused by manmade activity, whether climate change legislation they support would make a difference. There are so many ifs involved here that the proponents frequently, when pressed, will admit that it's very difficult to estimate the benefits that the legislation would confer. And then when, as in our case, you do hard — which is to say rigorous — cost-benefit analysis, it's possible to discover that, by any accounting, the net benefits would be negative, that the cost to the economy would exceed the benefits.

And that's happened in one instance with us, where at the Beacon Hill Institute in Boston we've looked at

“This is all kind of Economics 101 that is being neglected, in our view, by people involved in these research projects.”

David Tuerck
Beacon Hill Institute



this proposal to install 130 windmills in Nantucket Sound, all of which are being advanced to the end of reducing global warming and none of which will do anything to improve outcomes, as measured by the benefits from reducing global warming. It will simply not have a net beneficial effect on the economy, even when you take into account the benefits of reducing global warming, as measured by economists.

Kokai: Let's turn specifically to North Carolina. You and your colleagues at the Beacon Hill Institute have looked at several aspects of the process North Carolina has used to study potential policies for addressing climate change. From what I've read, your reports have highlighted a number of concerns about the work done in this state.

Tuerck: Well, from my review of the process and of the methodology that's been used, the process is almost shamefully negligent and shamefully I would have to say, neglectful of the fundamental principles of economic analysis. There's an attempt by the proponents, by the climate change advisory group and researchers at Appalachian State University, to put a happy face on this legislation that's going forward, and the attempt is made by trying to show that implementing this legislation will create jobs and will expand economic activity in the state rather than contract it.

And the trouble with that particular representation is that it doesn't make any sense. You can't create jobs that are good jobs that are adding to the state economy by shifting workers from more productive to less productive activities. You can't create good jobs, the kind of jobs we want to create, by increasing energy costs, by increasing the price of electricity, by imposing what amounts to new taxes. This is not the way to create jobs. What you have to do, in order to analyze what will really happen, is look at the cost-increasing effects of the legislation, look at the taxes that would be implicitly imposed, and sort out the negative effects that these actions would

have on the state economy. You can sort out those effects, as we have tried to do, and you can identify them for their negative effect on jobs and the like. And then, when you're done with that, you can ask the question, "Is it worth it to pursue this legislation given the negative effects that will actually be imposed?" All these claims about job creation and the like, though, are bogus claims and unsupportable by even the most naïve sort of economic analysis.

Kokai: You mentioned the word "shameful." The analysis is more than just bad or flawed? Why shameful?

Tuerck: I call it shameful because there are just a few things on which economists agree. One of them is the law of diminishing returns, which your listener has probably heard of at some point, and another one is that there's no such thing as a free lunch. It is not possible to create something out of nothing. You can't get good stuff by increasing the cost of conducting economic activity, and that's what these economists are trying to convince themselves of. It's elementary logic that if you are going to shift jobs away from existing activities to new activities, spurred on by climate change legislation, that you have to ask the question whether or not the new jobs are contributing more to the economy than the jobs that are being abandoned because of the high costs that are being imposed. This is all kind of Economics 101 that is being neglected, in our view, by people involved in these research projects.

Kokai: What would happen if North Carolina adopted some of the policies under consideration now to address climate change?

Tuerck: Well, because the legislation all raises the cost of doing things, at the end of the day, this legislation is going to shrink the state economy, as measured by real Gross State Product, by real disposable personal income, and as measured, in fact, by jobs. You will ultimately lose jobs when you shrink

the total realm of economic activity, and that's what this legislation is going to do. This legislation aims to reduce CO₂ emissions and other emissions that are said to contribute to global warming. And, in order to do that, you have to shrink the economy. There's no other way to do it. You can have a robust economy, with the existing volume of CO₂ emissions, or you can have a less robust economy with a lower volume of CO₂ emissions.

And that's the "no free lunch" paradigm that I think that the researchers who have addressed this before have forgotten. You can have one or the other. It's not our job to decide for North Carolina or anybody which world they prefer: the world with fewer CO₂ emissions and a less robust economy, or the other world with more emissions and a more robust economy. But that's the policy choice that has to be made, and in order to make the choice correctly you have to understand that, first of all, there is a choice. And it's not a twofer; you don't get reduced emissions and a stronger economy. You get one or the other.

Kokai: If policymakers hear your remarks and agree that they've been pursuing the wrong track, what should they do instead?

Tuerck: I would say that at the state level, the best thing they could do would be nothing. This is a national and, indeed, an international problem.

Kokai: And I would guess that you would also advise North Carolina to scrap any of its studies based on unsound economics.

Tuerck: Right. I think that the studies that have come out of [the Climate Action Plan Advisory Group] and out of Appalachian State University should be scrapped. We would invite them to look at our study, and we'll make our methodology known so that it can be evaluated, or they can do their own study. But they need to do a study that starts out on the premise that there's no free lunch. You can do something to reduce CO₂ emissions from a North Carolina energy-producing sector. Certainly, that can be done, but it's not going to be done free of charge. It's going to be a cost to the economy, and that's what they need to find out. If they don't want to believe our study, then they should do their own.

But everybody who seriously addresses this knows it's going to impose costs. The Environmental Protection Agency in Washington understands that "cap and trade," as proposed by [Sens. John] Warner and [Joseph] Lieberman, will impose costs. And every serious environmental economist understands that it's time for the state and local agencies that are addressing this to get serious, too.

State School Briefs

CMS to cut busing?

Soaring fuel costs will force Charlotte-Mecklenburg Schools to scale back busing or make other big cuts, Superintendent Peter Gorman and Transportation Director Carol Stamper told the school board June 16.

"It is very critical," Stamper said.

CMS is paying more than \$4 a gallon for diesel fuel, Stamper said, significantly more than the state will reimburse them for fuel, according to state budget proposals, *The Charlotte Observer* reports.

Officials outlined possible cutbacks to busing for magnet programs, ranging from eliminating buses to the specialized schools, which students attend by choice, to requiring parents to take their kids to "magnet express" stops.

The board made no decisions. Changes wouldn't take effect until 2009-10.

The meeting was part of an ongoing review of magnet programs.

Booster shots

Sixth-graders who haven't had vaccines against whooping cough and tetanus within five years of Aug. 1 will be required to get booster shots before they start school next year in Winston-Salem/Forsyth County schools, the *Winston-Salem Journal* reports.

The General Assembly voted in January 2007 to add a booster dose of tetanus, diphtheria, and acellular pertussis (TDaP) for all students entering sixth grade in the 2008-09 school year.

The vaccination will be free since it is required, although some doctors might charge a small fee to administer it, school officials said.

Parents can set up appointments with the county health department for free vaccinations.

"We really want to encourage parents to get the shots done before school starts," said Kenneth Simington, the assistant superintendent of student services. CJ

Candidates Wrestle With School Choice

Choice backers might find support only lukewarm

By HAL YOUNG
Contributing Editor

Heading into North Carolina's primary May 6, candidates on several levels staked out positions on programs that offer an alternative to district-assigned public schools, but as the dust settles a few weeks after the election, vocal supporters of charter schools and nonpublic alternatives are falling away.

Voters who had hoped for significant changes in educational choices next year might find their options are between those who oppose them and those whose support is mixed.

National candidates

Education is not a federal issue, but presidential hopefuls on the Republican side vigorously waved the banner for educational choice in their campaigns, some presenting comprehensive platforms for school reform.

Fred Thompson, for example, pledged to give parents "the ability to choose the best setting and situation to meet the needs of their children

—whether in a public, private, religious, home, or charter school setting." His detailed white paper offered support for charter schools as well as tax credits and vouchers intended to promote "innovations that enhance education through competition and choice."

Mitt Romney adopted many of the same ideas, proposing a federal tax credit for homeschooled and campaigning on that theme in South Carolina. Rudy Giuliani regaled an N.C. audience about his long and unsuccessful fight to reform the public schools in New York City, asking rhetorically why families should be locked into a single school based on their home address.

Unfortunately, each of these campaigns parked its bus before reaching North Carolina.



Thompson withdrew from the race Jan. 22, and Giuliani a week after. Romney suspended his campaign after Super Tuesday and threw his support behind Sen. John McCain, the presumptive nominee.

Unlike his competitors, McCain's issue statements had little to say about education early in the campaign. By June, however, a full-fledged educational policy was outlined, based on the principle that "public education should be defined as one in which our public support

sion is aimed elsewhere. His 15-page education plan would notify parents about public school choices but would not introduce competition. His educational platform focuses on greatly expanding federal day care and early-education programs, starting from infancy, and the only "alternative" programs mentioned are for dropout prevention and teacher certification.

In North Carolina, more than 50 percent of the state budget goes to K-12 and higher education. It plays a major part in every gubernatorial race, and some candidates came out swinging early.

Statewide candidates

State Sen. Fred Smith, a longtime supporter of charter schools and nonpublic education, raised hackles in the audience when he told a 2007 convention of school board members that homeschooled should have access to public school extracurricular activities, a theme he repeated throughout his campaign.

His primary opponent, Charlotte Mayor Pat McCrory, said, "Parents know better than the government what is best for their children," and called for lifting the cap on charter schools and giving tax incentives to parents who enrolled their children there.

After he captured the nomination by a nine-point margin, though, McCrory's Web site replaced these statements with a platform centered on public school academics, testing reform, reduction of bureaucracy, and vocational education.

Amy Auth, communications director for McCrory's

campaign, said that the mayor is still "a very strong supporter of parental choice in education." She specifically mentioned his interest in charter schools and homeschooling. Nearly 6,000 students are being taught at home in Mecklenburg County alone.

"At the same time," Auth said, "he also has a desire to improve public education and is looking for ways to do so."

So is Lt. Gov. Beverly Perdue, a former teacher with a doctorate in education. She has been at the forefront of the Easley administration's high-profile public school projects, such as Learn and Earn and the N.C. Virtual Public School, which are key parts of her platform.

While the new online academy is open to nonpublic school students, Perdue has doubts about other school choices. When surveyed by the N.C. Association of Educators, she told the NEA affiliate, "I view our relationship as a long-time partnership" and agreed with their skepticism toward charter schools, saying that a bad charter school "represents mainly an unjustified drain on public resources." Perdue said she opposes any expansion over the 100 charters allowed by law, as well as voucher programs that benefit private schools.

The incumbent in the race for superintendent of public instruction, June Atkinson, echoes Perdue's sentiments in her public statements. Her opponent, former House Cospeaker Richard Morgan, responded to a questionnaire from the N.C. Family Policy Council that he supported both vouchers or tax incentives and a growing charter school system.

However, Morgan said the superintendent doesn't determine those issues. "Frankly, the decision resides solely with the General Assembly to do that," he said.

He also said that his answers on the NCFPC survey were meant to reflect his previous voting record in the legislature. Now, he said, "I want to see justification of the need" before increasing the number of charter schools.

His comments raised the likelihood that the candidates will not use their influence to make this option more accessible after election—a situation that might be the choice in several races this November. CJ

Educators Now Question Coed Schools, Classes

By JOHN CALVIN YOUNG

Contributing Editor

The Greene County, Ga. school system recently took a precedent-breaking step by deciding to convert all system schools to "single-gender academies."

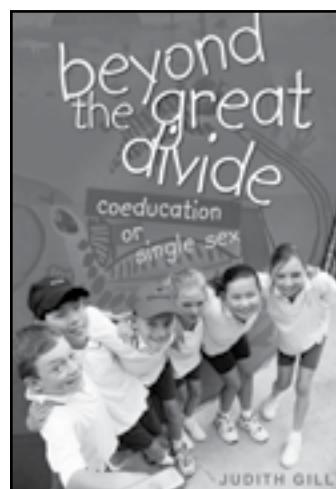
The measure was designed to increase academic performance and respect for authority — part of a program of "holistic learning" — and to decrease discipline referrals. The decision ignited a firestorm of controversy over whether a school district could pursue such a wholesale course of action, the role of parents' choice in the matter, and the efficacy and advisability of single-sex education.

Most American schools before the late 1800s were single-sex in format. In the 20th century, coeducation became the standard. More recently, though, single-sex education has resurfaced in both private and public schools, as major educational "crises" have been observed for both girls and boys. "Coed's not working," Benjamin Wright, chief administrative officer for Nashville, Tenn.'s public schools, told *The New York Times* in March. "Time to try something else."

Wright's "something else" is working. Before-and-after studies of schools that switched formats without changing curriculum, enrollment, faculty, or funding yielded surprising results. The Thurgood Marshall School in inner-city Seattle, for example, switched to a single-sex classroom model under Wright's leadership in 2000. Test scores improved dramatically. Before the conversion, only 10 percent of boys enrolled in the school could meet the state's reading requirements. By the end of the next school year, 66 percent passed. Discipline incidents dropped from 30 a day to single digits.

Other studies were just as dramatic. Researchers at Britain's Manchester University randomly assigned students from five public schools to either coed or single-sex classrooms. In the single-sex classes, 68 percent of the boys passed a test of language skills, but only 33 percent of the boys in the coed classes did. Among girls, 89 percent of those in the single-sex classes passed, as opposed to 48 percent in the coed class.

Interestingly enough, North Carolina has only eight public schools with single-gender programs, and several of them are special cases: two are Middle College programs, and the N.C. School



of Science and Mathematics has only one single-gender class, a computer science course for girls. Only five other public schools in North Carolina have single-gender programs in place.

South Carolina, on the other hand, has taken unusual steps to facilitate single-gender programs in state schools. The Office of Public School Choice was established last year with directors of Montessori and single-gender programs and more. When David Chadwell was appointed to the Office for Single-Gender Initiatives in July 2007, there were about 30 public schools in South Carolina that had single-gender classes. By March 1, 96 schools had such programs in place across the state, and more than 200 might have single-gender programs by the start of the next school year, Chadwell said.

"Parents can opt out at any time," he said. "People are not opting out — if they were, these programs would be shrinking." Many schools that were started with a specific grade are adding more.

The primary argument against publicly funded single-sex education is that it resurrects the "separate but equal" argument used to shore up racial segregation before the Brown decision. Dr. Leonard Sax, executive director of the National Association for Single-Sex Public Education and author of two books on male-female educational differences, has argued that while racial differences have no impact on learning, there are real and quantifiable educational and psychological differences between girls and boys that make single-gender classrooms desirable.

Regardless of the exact explanation, evidence is mounting that boys learn better in the company of boys, and girls with their peers as well. Social pressure is less prevalent, and grades and discipline improve.

Schools are catching on. According to *The New York Times*, in 1995 there were only two single-sex public schools in the country.

At least 392 public schools nationwide will offer single-sex programs in 2008-09, according to Sax's association.

While single-sex classrooms or schools might not be the best fit for every student or every school district, renewed interest in alternative educational strategies gives parents a wider range of educational choices to fit their own child's unique strengths and needs.

CJ

Commentary

Writing a Wrong

When it comes to K-12 writing instruction in North Carolina, we have it wrong. Recent changes by the State Board of Education aren't likely to put us on the right course either, leaving scores of students unprepared for the rigors of workplace communication.

Last month, North Carolina's Board of Education voted to eliminate unpopular statewide writing exams, currently given in fourth, seventh, and 10th grade. This was no surprise. The Blue Ribbon Commission on Testing and Accountability, convened by the board, had recommended the move in January, to cheers from the education establishment.

Writing proficiency will now be evaluated using regular writing assignments developed by the state Department of Public Instruction and administered by local school districts. This change, along with other tweaks to the state's testing system, positions North Carolina "to once again lead the nation" in accountability and standards, the board says.

That is fanciful thinking. According to 2007 writing scores on the National Assessment of Educational Progress, released this April, we're not leading the pack. In fact, North Carolina was the only state in the country whose scores declined. Just 28 percent of eighth-graders in North Carolina write proficiently.

Marks on the well-respected NAEP stand in stark contrast to new state writing scores, which were up across the board. While eighth-grade NAEP scores have dipped six points since 2002, state writing scores rose 21 points for fourth-graders, 17 points for seventh-graders, and 32 points for 10th-graders between 2002-03 and 2007-08.

This is grade inflation writ large. Let's be honest: Administering bad tests to obtain artificially high scores won't help kids write well. Simply nixing statewide writing assessments won't turn students into competent scribes, either. Instead, we need to transform the curriculum, focusing intensively on writing fundamentals.

We ought to start with regular instruction in the much-maligned grammar basics. The National Council of Teachers of English, whose standards are incorporated into North Carolina's curriculum, has waged a longstanding, coun-

terintuitive campaign to remove grammar from English class. A 1985 NCTE resolution denigrated grammar exercises as a "deterrent" to improvements in speaking and writing. The NCTE's stance has slowly softened, but the damage has been done. Even North Carolina's writing tests have weighted conventions, such as spelling and grammar, much less than content.

Technology, while an undeniable boon to writers, is also undermining style and grammar basics. E-mails and text messages saturate kids in a technology vernacular that seeps into schoolwork. According to a 2008 Pew Internet and American Life Project survey, 64

percent of teens "incorporate some informal styles from their text-based communications into their writing at school." One-fourth use emoticons, such as smiley faces, 38 percent employ text shortcuts such as LOL for "laugh out loud" in school assignments. Technology-based "disjointed prose," reports *The New York Times*, has prompted Librarian of Congress James Billington to lament "the slow destruction of the basic unit of human thought, the sentence."

There are a host of other things we could do to revive the stature of the sentence. More hours spent writing in class would help. The adage that practice makes perfect rings especially true with written communication. More leisure reading works, too, since frequent reading correlates positively with writing scores. In the end, though, it comes down to this: Do we value writing proficiency as a critical life skill?

Corporations do. They shell out billions of dollars annually to fund remedial writing instruction for employees. Why? Seventy-two percent of employers say new high school graduates are deficient in English writing skills, including spelling and grammar, according to The Conference Board.

It's time to right this wrong and teach kids how to write properly. Otherwise, we consign them to ever-diminishing career prospects, a fate that would render even the most tech-savvy, texting teen unlikely to laugh out loud. CJ



Kristen
Blair

Kristen Blair is a North Carolina Education Alliance Fellow.

School Reform Notes**Athletics funding**

At Franklinton High School, baseball players must buy their own caps. Some high schools are considering schedule changes because of travel costs. Nearly all schools depend on booster clubs to raise money for uniforms and equipment.

But the association the high schools support is rich — and getting richer. It is neck-and-neck with Iowa's as the wealthiest high school athletic association in the country, *The News & Observer* of Raleigh reports.

The N.C. High School Athletic Association collects dues from the high schools and takes a big slice of the championship playoff ticket sales. It makes money on catastrophic injury insurance that schools are required to buy for their athletes. It has also tapped into a rich vein of corporate money, endorsing products in exchange for contributions.

The association is worth at least \$18 million, thanks to an average growth of almost 20 percent a year since 1988, the last year the association lost money. The \$18 million includes an endowment fund to benefit high school sports, but the association has given relatively little of the fund's earnings back to its members.

State twists math scores

More than 800 Charlotte-Mecklenburg third-, fifth- and eighth-graders who had been told they had to retake state math tests to be promoted learned recently they actually squeaked by, *The Charlotte Observer* reports.

It's the latest twist in a state testing system so byzantine some school board members say they wish they could scrap it.

Here's how it works: Students in the "gateway grades" are supposed to pass N.C. reading and math exams to be promoted. But the state lets them slide by if their scores are so close to the cutoff point that it's statistically likely they'd pass if they took the test again.

This summer, schools are looking only at math results. Scores on the reading exams are delayed until fall because the state is bumping up the score required to pass.

In the past, students within three points of the cutoff got credit for clearing the gateway. So when CMS scored its spring math tests, officials assumed that any student four points or more below grade level was in danger of being held back. CJ

China, India lead way**U.S. K-12 Prowess Trails Third World**

By KAREN McMAHAN
Contributing Editor

RALEIGH

For more than two decades, cross-national assessments of student academic performance against international standards have shown that U.S. students consistently score below the international average in mathematics, science, and reading compared to their counterparts in 30 industrialized nations.

In 2003, for example, U.S. 15-year-old students scored lower in mathematics on the Program for International Student Assessment test than did students from 25 of the 30 participating countries, lower in problem solving, 24 out of 30, lower in science, 19 out of 30, and lower in reading, 15 out of 30.

Now, a new documentary film on global education released in April 2008, "Two Million Minutes: A Global Examination" (www.2mminutes.com), raises serious questions about how well U.S. students fare against their counterparts in Third World countries, notably China and India.

Experts agree that high-quality education is essential for a nation's long-term economic growth and stability. The United States spends more money per pupil than most industrialized nations and far more than any developing nation, yet its student performance continues to worsen.

Two Million Minutes

The film gets its title from the approximate number of minutes available to a student during the student's four years in high school — 60 minutes x 24 hours x 365 days x 4 years.

In 2005 and 2006, Robert Compton, creator and executive producer of the 54-minute documentary, had a film crew follow six students, two each in the United States, India, and China during their senior year in high school, to compare how the students spent their time.

The film reveals startling differences in American students' priorities, focus, and motivation, along with a disturbing lack of academic rigor, as compared to the Indian and Chinese students.

Compton has been criticized for choosing only top students from wealthier communities in their respective countries and whose parents are professionals, but he said his premise was that "the schools be ones that every parent would like to send their children to and that the students be driven and ambitious. Why would you want to compare the worst students?"

"I thought I could get a representative sample by selecting a male and a female student from the same school in each country with roughly similar demographics so I could compare apples to apples as much as possible," Compton said. "That some people have chosen to see the glass as half empty doesn't negate that the glass is half full," Compton added.

Compton, a venture capitalist who owns six software companies in the United States and invests in high-tech and biotech companies in India and China, said, "India and China treat academics the way Americans treat sports. They [India and China] invest their time, money, and talent making sure their children have the best education and opportunities."

In a recent screening of his film at the Stanford Graduate School of Business, Compton quoted Stanford economist Eric Hanushek as saying "a nation's gross national product

growth correlates directly to the level of math and science scores achieved by its students."

Differences

China has about 194 million students in K-12, India has 212 million, and the United States has 53 million. While China and India educate only a fraction of their children compared to the United States, their raw numbers dwarf those of America,

and their middle class is rapidly growing, so those figures will increase over time.

Critics worry that Americans aren't paying close enough attention to the rapid leveling of the playing field among students worldwide and the economic implications of the increased competition.

In China and India, all students in grades seven, eight, and nine are required to take mathematics, chemistry, physics, biology, geography, English literature and grammar, and world history. Once they reach

the 10th grade, students are placed in a business, science, or liberal arts track based on their academic ability, where they continue to take advanced courses in science and math.

By contrast, in the United States, nearly 40 percent of high school students do not take any science class more challenging than general biology, and 55 percent do not take any math courses beyond two years of algebra and one year of geometry.

By grade 12, only 3 percent of African-American students are proficient in math, 4 percent of Hispanics, 10 percent of Native-Americans, 20 percent of white Americans, and 34 percent of Asian-Americans.

Yet, 70 percent of American parents "think their child's high school is teaching the right amount of math and science," Compton said.

One of the most striking differences was the amount of time students spent studying or doing homework. The school year in China is one month longer than in the United States and the school day is longer. Factoring in homework, tutoring, and study time, Chinese students spend twice as much time studying than do Americans, according to Vivien Stewart, a specialist in international education.

Experts say 66 percent of college-bound high school students in the United States have no more than one hour of homework per evening and none on the weekends. The average U.S. student spends 900 hours in the classroom and 1,500 hours watching television each year.

Chinese and Indian students attended tutoring and other classes until late in the evening and all day on Saturdays. Ruizhang, one of the top math students in China, had been participating in math competitions since he was a small boy. Sridharan spent 12 hours each week studying for the entrance exam to the Indian Institute of Technology, often compared to MIT.

Both of the American students were at the top of their class academically, but each said it was important to have balance in their lives, and they talked about wanting to have fun. The American students were seen attending sporting events, hanging out with their friends, working, or volunteering. One student was studying with a group of friends to prepare for a test while they watched a television program.

One-third of students in India are educated in for-profit schools. Compton said these schools charge tuition based on student performance. If students don't perform well and go on to top-rated universities and graduate programs, the school doesn't do well financially. CJ



Guilford Officials Seek Best Way to Husband Bond Funds

By SAM A. HIEB

Contributing Editor

GREENSBORO

With \$457 million in bond money in hand, the Guilford County Board of Education must determine the most efficient method for making bond projects a reality.

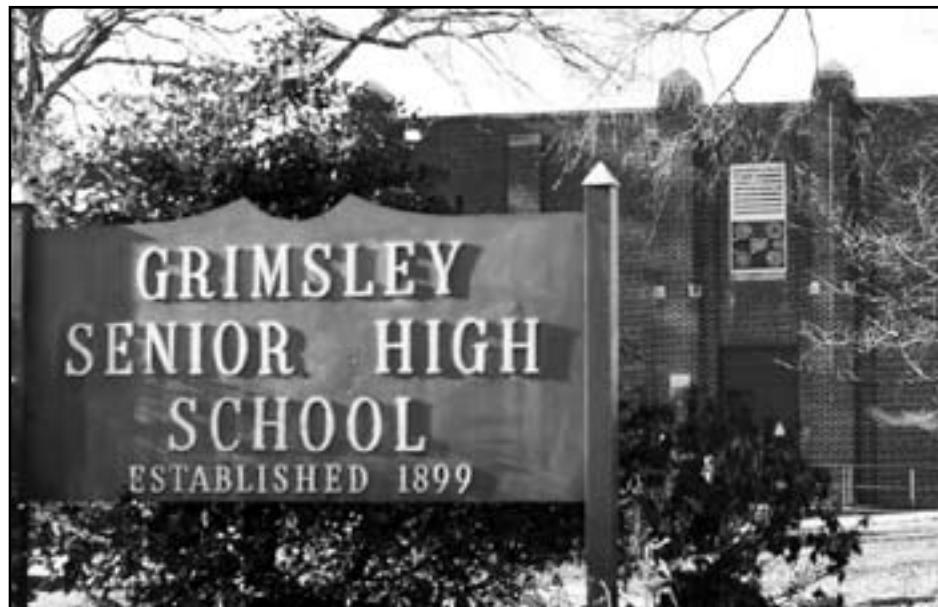
Board members must determine whether to use the construction-manager-at-risk method or the single-prime bidder method when starting construction on projects listed on the bond referendum, which was approved by solid majorities May 6.

Many believe, generally speaking, the CMR method is better because it allows a general contractor to be involved in the project, starting with the design phase. But a contractor's role is limited to design issues, in theory leaving more work for minority contractors. Conversely, a single-prime contractor performs onsite work as well as overseeing subcontractors.

GCS Operations Officer Leo Bobadilla told the board that the CMR method introduces a preconstruction phase to a project, bringing the contractor on board with the designer at the same time. The contractor provides crucial feedback as the design progresses. Change-order litigation issues can be avoided with the CMR method, Bobadilla said.

"Many times what you'll find is, if you don't have that process, you complete a design and then hand it over to a contractor who's looking at it for the first time and may be pricing it at that point. There may have been issues that he could have identified during the design process that may have meant cost savings to the project," Bobadilla said.

The CMR method might also be best suited for GCS in particular because the system has had much turnover



Renovation of Grimsley High School in Greensboro is one of three projects that caused disagreement on what was the best construction method to use. (CJ file photo)

in facilities management in recent months. Bobadilla is relatively new to the job. He replaced former chief operation officer Kevin Lear last year, and facilities director Joe Hill has overseen the department on a contract basis, not full-time.

Some board members believe the CMR method is more expensive. The board's architectural selection committee recently met with school staff to determine which methods suited which projects, ranging from new schools to smaller renovations.

A list was drawn up, but staff and the committee disagreed strongly on the

"I would like to go on record as saying ... that construction-manager-at-risk is more expensive."

Darlene Garrett
Search committee member

best construction method for three projects: a Special Education Center at a cost of \$15 million; additions to Summerfield Elementary, also at a cost of \$15 million; and renovations to Grimsley High School, at a cost of \$9 million.

Bobadilla noted there were several projects on the list that would be best suited to either CMR or single-prime bidding. But board member Anita Sharpe, a member of the architectural design committee, said she disagreed with staff on most projects recommended for CMR.

"It is my firm belief, based upon my research, that it costs more," Sharpe

said.

Fellow board member Darlene Garrett, also a member of the architectural search committee, agreed with Sharpe. Garrett has been critical of school staff for using the CMR method for a new Union Hill Elementary School, a project that has been hampered by delays.

"I would like to go on record as saying, based on the information I received, that construction-manager-at-risk is more expensive," Garrett said. "If we actually get to see the bids at Union Hill, I think we'll see that since it's gone construction-manager-at-risk, it's more money."

Board member Garth Hebert also raised doubts about the CMR method.

"I'm not sure that either method as outlined here is acceptable. If I were to lean one way or the other, I would lean single-prime," Hebert said.

Bobadilla advised the board at least to sign off on projects where there was little or no debate over which method was best suited to the project. He said that GCS had received request-for-qualifications responses from 50 design firms for bond projects, and that it was crucial that they begin vetting them as soon as possible. The motion to move forward on those projects was approved by a 5-4 vote. Hebert, Sharpe, Nancy Routh, and Deena Hayes voted no.

Efficient expenditure of bond funds has been a sensitive issue with taxpayers since they approved a \$300 million school bond in 2003. Citing rising construction costs, GCS ran out of bond money, leaving several smaller projects and one large project, a new Jamestown Middle School, uncompleted. The \$33 million for Jamestown was on the bond that just passed, and the board has given it top priority. CJ

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On Campus

Wake Forest University created a stir by making college entrance examinations, SATs and ACTs, optional. Beginning with the freshman class of 2009, Wake Forest will become the only school in *U.S. News'* top 30 "national universities" with a test-optional policy.

"By making the SAT and ACT optional, we hope to broaden the applicant pool and increase access at Wake Forest for groups of students who are currently underrepresented at selective universities," said Martha Allman, director of admissions at Wake Forest in a statement posted on the university Web site.

Wake Forest cited Joseph Soares, associate professor of sociology at Wake Forest and author of *The Power of Privilege: Yale and America's Elite Colleges* in defending its decision.

"Dr. Soares presents a compelling argument that reliance on the SAT and other standardized tests for admission is a major barrier to access for many worthy students," said Wake Forest Provost Jill Tiefenthaler, the university's chief academic officer, whose office oversees admissions.

But not everyone in the academy sees the issue that way. Steve Farmer, assistant provost and director of admissions of UNC-Chapel Hill, wrote in *The News & Observer* of Raleigh, "We need more tools, not fewer, as we try to plumb the mystery of talent and potential. Standardized testing gives us one sounding, however limited and imperfect, about how students will probably perform in our classrooms."

Peter D. Salins of Minding the Campus, an online university reform project, goes further. He says WFU's move to make the SAT optional is a ruse to appear more selective in national rankings. He wrote, "By feigning indifference to SAT scores they either force the rankers to look only at the other collegiate characteristics in which they typically excel ... or even more disingenuously — knowing that most of their top admittees will have furnished SAT scores 'optionally' — they do report SAT averages, conveniently cleansed of the otherwise low-scoring diversity cohort."

Smith College, a liberal arts college for women, also adopted an SAT-optional admissions policy recently. Officials said that evidence of correlations between race, income, and test performance prompted the decision. CJ

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

UT and UNC

A Tale of Two University Systems' Visions

By JANE S. SHAW
Contributing Editor

North Carolina and Texas are eager to improve their public university systems to better serve their citizens in the 21st century. But they are acting on different visions of the future.

Last year, the Board of Governors of the University of North Carolina decided to find out what its citizens wanted from the university during the next few decades. The board created the UNC Tomorrow Commission, whose members traveled around the state, listening at public forums. The commission compiled an expansive list of plans and goals, ranging well beyond college education to include K-12 education, economic growth, and applied research, to name just a few.

If it were carried out, the agenda would create a larger and more costly university system. That might provide benefits, but whether UNC would better achieve its core mission of educating the citizens of North Carolina was not so clear. Whether the citizens of North Carolina would be willing to pay for all these services was uncertain, too.

In Texas, the approach was different. In May, Gov. Rick Perry called together the regents of the six university systems in the state. He asked Jeff Sandefur, co-founder of the private Acton School of Business, to explain to them why today's university systems — not just in Texas but also across the country — might not be sustainable for long.

Sandefur pointed out that costs are rising fast because the most expensive faculty members concentrate on research activities and teach the fewest students. Educational quality is going down, largely for the same reason: Faculty are rewarded for research, not teaching.

The major point was that the best teachers, whether tenured or adjunct, should be rewarded for their teaching, through pay and public recognition. Thus, the universities would improve the quality of teaching and reduce its cost.

That, however, is not the message in North Carolina. Out of the 31 pages in the UNC Tomorrow report, only 3 1/2 are devoted to actual education within the university system (under the topic "global readiness"). The paper favors strengthening education, especially for skills such as writing and critical thinking, but it does not state how that is to be done. A task force will consider actual strategies.

The only discussion of costs in the UNC Tomorrow report has to do with



the goal of keeping college affordable and increasing access for low-income students. The costs to taxpayers and middle-income students are left out.

In contrast, the Texas proposals are concrete strategies. The governor asked the regents, all of whom he appointed, to consider them. At the same time, he acknowledged that there would be no "one-size fits all" approach, and he encouraged discussion and debate.

If Texas is going to reward the best teachers, it must first identify them. The suggested methods emphasized student satisfaction, using evaluations of the kind that students complete each semester. Student evaluations, however, would likely be weighted by a professor's distribution of grades. Thus, if a teacher gave mostly A's, his or her high evaluations would be discounted.

The teachers who were among the top 25 percent in student ratings would qualify for awards. Depending on the number of students they teach, they could receive awards as high as \$10,000. A precedent for this is at the University of Oklahoma, where a pilot program in the colleges of business and engineering has given the best-rated teachers bonuses as high as \$15,000 per semester.

Another of the governor's proposals was to turn state appropriations into student vouchers. In 2004, Colorado did just that.

To some, these proposals might be shocking, especially the elevation of students to the level of customers, but the problems are shocking, too. A

famous example is the Intercollegiate Studies Institute civics test given for the past two years at a number of leading colleges across the country, asking students about basic topics such as the Bill of Rights, the War of 1812, and the American Revolution. At many colleges, the seniors did worse than the freshmen, and no school did very well.

The seven "breakthrough solutions" reflect some of the experience from Sandefur's highly unusual, and highly rated, business school, which offers a master's of business administration in one year, half the typical time required.

At Acton, the students are king, except that they must spend 80 or 90 hours a week on their education. They evaluate their experience on a weekly basis, and they evaluate their faculty at the end of the year. The faculty member who is ranked the lowest can't teach the next year, but might return later.

At Acton, students can obtain fellowships for their tuition, but when they graduate, if they agree that the school has been valuable to them, they must pay back 10 percent of their salary each year until the \$35,000 tuition is covered.

So the "student as customer" approach has been successful at one school.

Meanwhile, the underlying question remains: Will this nation's future be better enhanced by the expanding, centrally controlled approach adopted by North Carolina's education leadership, or by the consumer-oriented, cost-reducing, quality-enhancing focus of Texas? CJ

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

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Higher Education

New Study Finds Weaknesses In North Carolina's Higher Ed

By JANE S. SHAW
Contributing Editor

A new study raises questions about the much-vaunted excellence of North Carolina's higher-education system.

Ohio University economist Richard Vedder and a graduate student, Andrew Gillen, don't conclusively answer the question raised by the paper's title, "North Carolina's Higher Education System: Success or Failure?" They do, however, raise some doubts about its success. Three highlights:

- N.C. taxpayers fork over more for higher education than in most states, but North Carolina has fewer adults with bachelor's degrees, per capita, than the U.S. average.

- Instructional costs at UNC-Chapel Hill are more than twice what they are at N.C. State and more than four times what they are at some other UNC schools.

- Because of grants and scholarships, on average students attending a school in the UNC system paid less than \$1,000 in tuition in 2004.

The study is based on the extensive information supplied by the Department of Education in its IPEDS collection of statistics ([at http://nces.ed.gov/ipeds](http://nces.ed.gov/ipeds)).

The most stunning finding is that North Carolina's government (i.e., taxpayers) pays far more for higher education than the average state in the United States and more than the surrounding states. But North Carolina does not have as many college graduates, per capita, as some of its neighboring states.

North Carolina appropriates \$7,153 per student (that is, per full-time equivalent student). The U.S. average is much lower — \$4,871. North Carolina's figures also are well above those of its nearby states. Georgia appropriates \$5,760 per student, Tennessee, \$4,721 per student, and Virginia, \$4,576 per student.

Despite this high appropriation, the N.C. population is not highly educated. According to the U.S. Census Bureau, 25.6 percent of the state's adult population had a bachelor's degree in 2006.

This percentage is less than Vir-

ginia's, at 32.1 percent, and Georgia's, at 28.1 percent, but more than South Carolina, at 22.6 percent, and Tennessee, at 22 percent. It is below the national average of 27.2 percent.

North Carolina's government spends 50 percent more than the government of Virginia on higher education but has an adult population that is less educated. The state's relatively low figure persists although many well-educated people are drawn to North Carolina from other states.

This report raises puzzling questions.

Wolfpack fans might look at the differences in instructional costs between UNC-Chapel Hill and N.C. State. Both schools usually are considered "flagship" schools, yet UNC-Chapel Hill spent \$22,876 per student, while N.C. State spent only \$9,787. That is, Chapel Hill spends well over twice as much on instruction as does N.C. State.

Definitions of instructional costs might differ with each university because they are self-reported data, but they reflect to some extent the cost of faculty. Faculty salaries are higher at Chapel Hill, about \$85,000 on average compared with \$75,000 at N.C. State.

Another difference is the number of classes faculty members teach. As Gillen and Vedder say, instructional costs "likely include research activities, at least those funded by the institution through low teaching loads for faculty." Federal statistics lack information about teaching loads.

Instructional costs at other UNC campuses are substantially lower than at Chapel Hill. N.C. Central spends \$6,725; UNC-Greensboro, \$6,591; UNC-Charlotte, \$6,570; and N.C. A & T, \$5,231.

The statistics show that tuition covers a small part of the costs. When scholarships and grants are taken into account, the average price of tuition to students at a four-year UNC school was slightly less than \$1,000 in 2004. The average published tuition in 2005 was \$3,631.

CJ



Faculty salaries are higher at Chapel Hill, about \$85,000 on average compared with \$75,000 at N.C. State.

Commentary

Moeser's Second Term?

At first glance, the selection of the new chancellor at UNC-Chapel Hill seems ideal. It appears as though Holden Thorp was not just groomed for the job, but created for it.

Thorp has a long track record as a brilliant scientist and as an outstanding educator who relates well to students. He has also held several lesser administrative posts on the Chapel Hill campus, including as dean of the College of Arts and Sciences.

Thorp also bleeds "Tar Heel Blue;" he is a third-generation alumni. He is young, clever, and charismatic.

But the fact that he has ample leadership ability tells us little about the direction in which he will lead the university. The probable direction of Thorp's leadership can be gleaned, however, from his words and past decisions.

In his speech accepting his election to the position by a unanimous vote of the university system's Board of Governors, Thorp referred to outgoing chancellor James Moeser as "my mentor," and he also rose dramatically under his predecessor's administration.

The policies and ideas that dominated under Moeser for the last eight years should continue to dominate for Thorp's tenure as well. Given that he is only 43 and has powerful attachments to UNC, that is likely to be a long time.

Whether that is reason to cheer or cringe is a matter of perspective.

One policy of Moeser's that is almost guaranteed to continue under Thorp is increasing the university's role in research and development. UNC President Erskine Bowles even said he wanted a scientist in the chancellor's position for that very reason. Thorp has earned 19 patents, and has created a private company to exploit the commercial possibilities of his research.

A comment made in his acceptance speech indicates that Thorp has a remarkably expansive view of academia. "Our to-do list is nothing less than the greatest problems of our time: cure diseases, and get those cures to all the people who need them. Find and

invent clean energy. Inspire students in our public schools. Feed seven billion people. Describe the world, and replace conflict with understanding."

Another line from the acceptance speech indicates that Thorp is most comfortable when government has considerable influence on economic activities: "There's one idea that's even better than a research university and that's a public research university."

Thorp also seems likely to make no attempt to counter the emphasis on group-identity pressure politics at Chapel Hill. He seems to favor

setting numerical goals for inclusion according to demographic groups, rather than regarding each student or employee as a distinct individual. In a speech to the board of directors of the General Alumni Association (of UNC) in July 2007, Thorp had this to say: "[W]ith regard to diversity, the college, like most of our peers, is not doing as well as we should at matching the demographics of the faculty to the demographics of the students."

He might also encourage demographic groups to regard themselves as victims of an oppressive society, as illustrated by his leadership as chairman of the 2005 Carolina Summer Reading Program Book Selection Committee.

The book chosen that year was *Blood Done Sign My Name: A True Story*, about racial strife in rural North Carolina, centered on the 1970 murder of a black Vietnam veteran.

Also at the recent press conference, when asked about political extremism in the classroom and on the campus, Thorp suggested that incidents of inappropriate political activity by teachers are much more rare than perceived.

However, the Pope Center regularly covers such activities and is often informed of others.

The above examples suggest Thorp will not alter the present left-leaning political climate at Chapel Hill.



Jay Schalin

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

Bats in the Belltower**Twisting Popular Culture**

Recently the Associated Press wires featured an article about a topic for university-level study that WRAL.com categorized under "Strange News" and Charlotte.com placed under "News of the Weird." The categorizations did not quite reach the level of public service performed by the child in "The Emperor's New Clothes," but it was in the same vein.

The article begins thus: "A professor at Ursinus College in suburban Philadelphia thinks 'Buffy the Vampire Slayer' is worthy of serious academic study." The professor in question is Lynne Edwards, editor of an online journal of Buffy and Buffy-related research, who is also editor of a forthcoming book, *Buffy Goes Dark*.

To be fair, Edwards "is far from the only academic with an interest in the show." But at a recent "Slayer Conference," a conference where professors gather to spend several days presenting their own papers on Buffy matters, Edwards submitted a paper on "Teaching Buffy in a Liberal Arts Institution."

Let me interrupt at this point with a confession. I like few television shows, but I am a fan of Buffy. The show was exceptionally witty, mixing irony, irreverence, self-deprecating humor, and even a little slapstick amid the very serious prospects of the world's impending doom in its various, weekly guises.

It featured a high-school (and later college) girl gifted with extraordinary powers — and friends — who battled all manner of demonic forces, on their own initiative, because those forces weren't going away with wishing and the civil authorities weren't to be trusted with the assignment. And they did so with panache while still struggling with the mundane tasks of conquering adolescence and young adulthood with all its awkward uncertainties.

Nevertheless, unlike Edwards, et al., I find myself on the side of the local news services in classifying the idea of a popular television show being worthy of a dedicated university-level course as just "weird." Granted, universities have for years abandoned themselves to the silliness of teaching popular culture, which remains silly even as it becomes more widespread. The fact that popular culture is popular should be enough

to eliminate any need to "teach" it.

Of course, it is the very popularity of the chosen subject matter — and the promise of not having to study something already mastered, as it were — that appeals to students. To instructors in the era of "publish or perish," the appeal is in teaching a subject that requires little outside mastery as well as offering a chance to publish on a relatively new subject.

A mutual fan club with academic imprimatur needs only a scholarly gloss to make it sound officially collegiate, and that is the easy part. As the February 2006 installment of *Carolina Journal*'s "Course of the Month" pointed out in a discussion of several ways course descriptions provide such a sheen,

course-description mainstays often used to lend the impression of thoughtfulness and rigor [include] the inevitable social-guilt redirection (... e.g., *What does what we say about this pop-culture subject really say about us and our society in terms of race, gender, class, sexual preference, imperialism, consumer culture, ad nauseam?*).

Edwards obliges. Her "paper explores the use of Buffy the Vampire Slayer as the primary text for a lower-level seminar designed to" — here we go — "explore issues of race, gender, and class in television through viewings and discussion of scholarly Buffy research."

Not to pick on Edwards in particular; the pop-culturalization of university study is, as stated above, fairly widespread. The former idea behind the liberal arts was that training in the trivium and quadrivium would equip students with the intellectual tools to engage any topic, to judge them with right reason to reach the truth.

The current approach in many universities and institutions styled "liberal arts," however, is to take any topic and twist it in a way to rehearse the same old social divisions of race, gender, and class, wherein the conclusions are predetermined and the truth is relative.

CJ

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



**Jon
Sanders**

Freshmen in Colorado Reading Classics for Fresh Orientation

By JANE S. SHAW

Contributing Editor

RALEIGH

The freshman reading program on UNC campuses perennially evokes controversy. Freshmen are usually assigned a book to read during the summer before they start school. UNC-Chapel Hill, in particular, has stirred up storms of reaction ever since 2002, when it selected a book giving a rosy view of the *Quran*, less than a year after Sept. 11. So offended were some students that the program became voluntary.

The books are usually selected to challenge the complacent, consumerist worldview that faculty members consider their new charges to hold. Thus, they can be grim stories such as *Blood Done*

Sign My Name about a racially inspired murder in North Carolina, or an antimarket polemic such as Barbara Ehrenreich's *Nickel and Dimed*. This year's Chapel Hill selection is *Covering*, by Yale Law School professor Kenji Yoshino, who talks about oppressive pressures for conformity in the United States.

But the focus on trendy issues and the breaking of taboos is not universal. Last year, at the University of Colorado at Colorado Springs, students read two short classics. The apparent success of the program has led officials to choose the same ones again, and to assign a third, as well. North Carolina could learn from the choices.

The first reading was Plato's *Apology*, the speech by Socrates before the jury that ultimately sentenced him to death for his teachings. The second was Martin Luther King Jr.'s *Letter from a Birmingham Jail*, which he wrote when imprisoned for leading a nonviolent protest against segregation. King cites Socrates several times in the letter. This year the additional reading will be Plato's allegory of the cave from *The Republic*.

The selections, about 35 pages for the Plato piece and 23 pages for the King letter, come in a collection of readings distributed to all participating freshmen. The full collection, which the students do not have to read, includes among other works, selections from Tocqueville's *Democracy in America* and a speech by Frederick Douglass.

The reading and its discussions are key element of a freshman seminar pro-

gram at Colorado Springs. The program is voluntary. However, about 80 percent of the school's freshmen participate, and the program starts two days before the rest of classes.

Last year, students also received a study guide, *A Free Society and Its Challenges*. The guide gives practical advice: "Do not be misled by the number of

pages into thinking you can properly do the assignment in a hurry"; "performing the work properly will help you develop intellectual skills that will contribute to your overall success." It also gives background for both pieces, including a glossary of terms ranging from Aristophanes to "Bull" Connor.

The guide also states that one of the goals of the readings and discussion is "to challenge you to join with the college community in addressing the question of what your responsibilities are as a citizen of a free society."

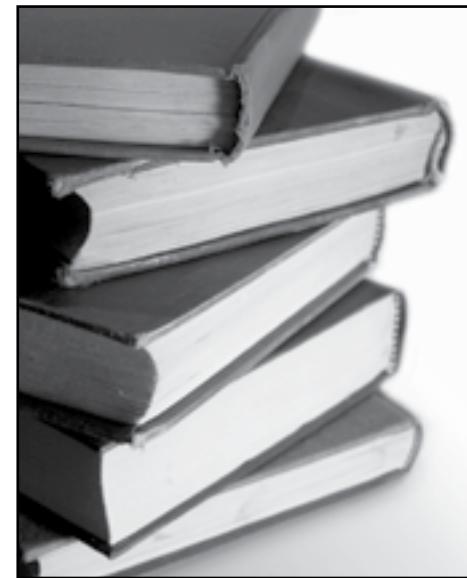
Is this the kind of reading that students want? The evidence so far is mixed. The main reaction from the students, said Constance Staley, director of the seminar program, was that they needed more time to discuss such "mega-issues" as freedom and responsibility.

Drew Castle, a student who led one of the discussions, said that he was pleased and a little surprised that "the vast majority" of the students in his group had read the selections and were able to discuss them.

But Jordan Verlare, now a sophomore, didn't read the material (although he thinks most students did). His group tired of the discussion, he said. "We just didn't find it relevant enough to spend a lot of time on it."

Nina Ellis-Frischman, assistant director, said the readings started the year with a "very academic tone." She thinks it is telling that for the first time in recent years there were no infractions of the underage drinking regulations until nearly two-and-a-half weeks into the semester.

Usually, such violations crop up in the first weekend. The students, it appears, were thinking, not drinking. North Carolinians take note. CJ



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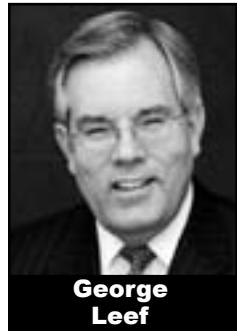
Jane S. Shaw is president of the John W. Pope Center for Higher Education Policy.

Higher Education

Opinion

How Truth Lost Out to Political Correctness at Wellesley

Are professors in American colleges and universities interested in the truth? That sounds like a strange question, but in a revealing new book, Mary Lefkowitz shows that there are some who won't let the truth get in the way of their efforts at indoctrinating students. Worse yet, administrators often cave in to these academic bullies.



George
Leef

Lefkowitz is an emeritus professor at Wellesley College, where she taught courses on classical culture for many years. Ancient Greece is her specialty. It is hard to imagine that such a quiet scholar would become the center of a vehement controversy that would rock the campus and descend (on one side) to the level of vicious personal attacks. *History Lesson* (Yale University Press) is the story of her bitter experience after challenging the accuracy of material a professor in Wellesley's Africana Studies Department used in his classes.

In her introduction Lefkowitz writes, "Telling the truth, instead of being our first responsibility, has suddenly become less important than achieving social goals. These goals were to be reached not by means of the usual scholarly tools of reflection and reasoned persuasion. They were to be imposed by assertion and fiat."

One of those "social goals" that now dominate in American education is that of making various minority groups, those designated as victims of

our oppressive culture, feel good about themselves. Toward that end, some professors have taken to the creation of myths. The myth that plays the central role in this drama is that of the "stolen legacy."

In this myth, the culture and philosophy of the ancient Greeks were not truly their creation, but were "stolen" from Egypt. Since Egypt is in Africa and all the people in Africa are "black," this means that white Europeans were victimizing blacks more than 2,400 years ago. In one ludicrous aspect of this myth, it is asserted that Aristotle journeyed to the Library at Alexandria and stole books that he later claimed as his own works.

When Lefkowitz learned that this and other intellectually indefensible ideas were being taught by a professor — Professor Tony Martin — in the Africana Studies department, she publicly challenged their historical accuracy. Among other problems with the stolen legacy idea is that Aristotle died years before the Library at Alexandria was built.

But when she pointed this fact out to Martin, he took umbrage. Who was she, a white Jew, to question his interpretation of black history? It occurred to her that Martin, a tenured faculty member, was one of those people who won't let the truth get in the way of achieving their objectives.

More disturbing yet, she discovered that the dean of the college would not intervene. Quoth the dean, "He has his view of ancient history, and you have



case in 2006.

Looking further into the curriculum in Martin's department, Lefkowitz found that students were assigned a book, *The Secret Relationship Between Blacks and Jews*, an anonymous book published by the Nation of Islam. While masquerading as a work of scholarship, complete with 1,275 footnotes, it is a screed that promotes the idea that Jews were mainly responsible for slavery. The book is hate literature with a thin veneer of sophistication. Using it in a college course is deeply troubling. The Wellesley administration, however, ducked behind the curtain of professors' "academic freedom" when it was brought to their attention.

Lefkowitz's purely academic criticisms of the materials elicited a counterattack by Martin, a book, *The Jewish Onslaught: Dispatches from the Wellesley Battlefront*. In it, Martin depicted himself as a hero standing strong for "black progress" against the evil oppressor class — the Jews — and craven blacks, such as Wellesley economics professor Marcellus Andrews and Harvard historian Henry Louis Gates, Jr., who didn't go along with his racial harangues.

Next he filed a lawsuit against Lefkowitz claiming that an article she had written slandered him. The article

yours." Throughout the confrontation between Martin and Lefkowitz, the Wellesley administrators were cowering, spineless creatures — much like the Duke administration during the infamous lacrosse

was about an incident in 1991 in which Martin had verbally abused a female student. Naturally, Wellesley's administration refused to defend Lefkowitz. She was able to find expert legal help, however, through the Anti-Defamation League. The case dragged on until 1999, when it was finally dismissed.

We often hear from defenders of the status quo that American students are "critical thinkers" who are too bright to believe propaganda. *History Lesson* refutes that argument. From the letters and comments of Martin's students about the controversy, it's evident that many of them had swallowed his line completely. To them, Lefkowitz was an enemy, just as to Mao's Red Brigades any intellectual was an enemy.

In a fascinating aside, Lefkowitz explains that she tracked down the origin of the stolen legacy myth. It comes from a novel published in France in 1731. The American writer George G. M. James based his ostensibly factual 1954 book *Stolen Legacy* on this work of fiction.

Sadly, it isn't just in the area of Africana Studies that we encounter double standards and anti-intellectualism. Professors who question global warming, the benefits of "diversity," and other articles of faith on the left risk intimidation or reprisals. American colleges and universities are far from being havens for objective, dispassionate inquiry.

History Lesson is an extremely important, gutsy book. I'm afraid, however, that the people who most need to read and reflect on it — college administrators — will avert their eyes. CJ

George C. Leef is director of research for the John W. Pope Center for Higher Education Policy.

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:

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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 homeschooled registered in the state of North Carolina.

Teacher Education Fails the Test at UNC Schools

as reported in

University of North Carolina Education Schools: Helping or Hindering Potential Teachers?

George K. Cunningham

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Town and County

Raleigh water impact fees?

Raleigh is considering imposing water and sewer impact fees on new construction as a means of limiting yearly increases in water and sewer rates. The move comes after a proposed 15 percent increase in the water rate for next year, *The News & Observer* of Raleigh reports.

Raleigh's water system operates as an enterprise fund. As such, it covers its expenses through the revenues it generates. It also periodically borrows money to finance capital improvement projects with interest and principal also paid through water sales. Permanent water use restrictions are expected to cut water sales by 8 percent and to create a need for higher rates to cover expenses. The proposed 15 percent rate increase would total about \$58 a year for a family that uses 6,000 gallons of water a month.

Revenues from a water and sewer impact fee could be used to reduce the amount of money the city has to borrow for capital projects.

"We have to be able to recalibrate who pays for what," Raleigh City Council Member Rodger Koopman said of the proposed fee.

Councilman Philip Isley was less impressed by the proposed impact fees.

"I still believe that we're just going to fee everybody to death," he said. "That's the new game that's being played."

Charlotte landlord fines?

Charlotte plans to hold landlords responsible for crime in properties they lease out. The idea originally came up in the spring, with plans to craft an ordinance by June, but it now seems that definite regulations might not be finalized before early next year.

While the details haven't been worked out, the general outlines of the proposed regulations are clear. A formula would be developed to identify crime-prone rental properties. Landlords would be required to work with police to reduce crime on those properties or face penalties, including possible fines. A requirement that all landlords be licensed is also being considered.

"We can't have a cop on every corner. And we can't afford a cop on every corner," Charlotte-Mecklenburg Police Deputy Chief Ken Miller said to *The Charlotte Observer*.

CJ

High Court Rules Against Widow in Tax Case

By MICHAEL LOWREY

Associate Editor

The N.C. Supreme Court has held that Henderson County can collect back taxes with interest from a widow after the county failed to assess property taxes on her house for a decade. The high court's ruling overturns a Court of Appeals ruling that the county's attempts to collect the taxes were improper.

Under N.C. law, rulings by the Court of Appeals, the state's second highest court, are binding interpretations of state law unless overruled by the N.C. Supreme Court. When the Supreme Court considers a case previously heard by the Court of Appeals it is not, however, required to issue a separate opinion in the case. The high court can instead adopt the opinion issued by the appeals court or, if there's a minority opinion from a judge in a three-judge Court of Appeals panel, the dissent.

That's what the Supreme Court did in this case, adopting Court of Appeals Judge Martha Geer's dissent that held that the county's actions in imposing back taxes were proper.

Tyleta Morgan and her now-deceased husband had owned 85 acres of land in Henderson County since 1971. In 1991, the land was classified as "forestry" under the Forestry Management Program, resulting in a lower property tax valuation.

In 1986, the Morgans started to build a house on the property. They obtained all appropriate permits from the county, and building inspectors visited the site. In 1992, when the house was 80 percent complete, the Morgans listed the house on their tax form.

The local tax assessor reappraised property in the county in 1999 and 2003, which included a visit to the property. Despite this, the county still did not actually assess property tax on the house.

In 2004, the county discovered its mistake and sent Morgan a tax bill — for taxes due from 1995 through 2003, including penalty and interest. The bill totaled \$8,533.61.

Morgan paid the taxes and appealed the county's ruling. After the Henderson County Board of Equalization and Review ruled against her, she took her case to the N.C. Property Tax Commission.

The central issue in Morgan's appeal is the interpretation of N.C. Gen. Stat. § 105-394 covering "immaterial irregularities" in property taxation. The section states:

"Immaterial irregularities in the listing, appraisal, or assessment of property for taxation or in the levy or collection of the property tax or in any other proceeding or requirement of this Subchapter shall not invalidate the tax imposed upon any property or any process of listing, appraisal, assessment, levy, collection, or any other proceeding under this Subchapter."

The statute gives several examples of "immaterial irregularities", including: "the failure to list, appraise, or assess any property for taxation or to levy any tax within the time prescribed by law."

Upon review, the Property Tax Commission concluded that "the action of the Tax Assessor, under the facts and circumstances at issue ... [is not] an immaterial irregularity since his action in the matter does not constitute a clerical or administrative error."

In reaching this determination, the commission distinguished the case from *In re Appeal of Dickey*, a 1993 decision in which the Court of Appeals held that a clerical or administrative error was an immaterial irregularity that does not excuse tax liability. The commission held that Henderson County's omissions did not amount to an immaterial irregularity, and that the county should not have been able to collect from Morgan.

"Mrs. Morgan presented, and the Commission found, substantial evidence tending to show the County was provided multiple opportunities to assess the property, but failed to do so."

Judge John Tyson wrote for the Court of Appeals in upholding the commission's decision.

"This evidence supports the Commission's conclusion that the action of the County Tax Assessor's Office was neither a 'clerical or administrative error.'"

Geer dissented from the majority holding, and this is the view of the law the Supreme Court found to be correct.

"The majority holds that a failure to list property cannot constitute an 'immaterial irregularity' under N.C. Gen. Stat. § 105-394 unless the failure was due to a clerical or administrative error. I believe that the majority has inserted language into the statute," she wrote.

"I would hold that the plain language of the statute without alteration and this Court's

opinion in *In re Appeal of Dickey* require reversal of the Property Tax Commission."

In her view, Henderson County's failure to assess the proper amount amounted to an immaterial irregularity.

"The plain language of the statute states that an immaterial irregularity includes a 'failure to . . . assess any property for taxation . . . within the time prescribed by law,'" Geer wrote.

"Contrary to the decision of the Property Tax Commission and the majority opinion, this language does not require that this failure be due to 'a clerical or administrative error,'" she said.

Geer also noted that nothing in *Dickey* limited an immaterial irregularity to a clerical or administrative error.

This outcome also confers significant public policy advantages, Geer held. She quoted with approval from a brief filed by the N.C. Association of County Commissioners in the case:

"The policy also avoids any incentive on the part of the property owner to allow an assessment oversight to persist. That is, if a property owner knows that a listing or assessment error will be picked up sooner or later and that taxes will be due for the years in question, that property owner is more likely to bring any omission or other error to the attention of the county assessor's office."

Geer found that this extended to interest for late payment of taxes, even though Morgan had not been sent a tax bill.

As to whether the outcome would be fair, Geer viewed that as a matter for the legislature, not the courts, to decide.

The case is available online at www.aoc.state.nc.us/www/public/coa/opinions/2007/061423-1.htm. Because of the Supreme Court's holding, Geer's dissent should be read as the controlling opinion.



The State Supreme Court overruled an Appeals Court decision that said attempts by Henderson County to collect decade-old taxes from Tyleta Morgan were improper. (CJ file photo)

Notification Problem Forces Land Transfer Tax Off Ballot

By DAVID N. BASS

Associate Editor

The Clay County Board of Commissioners recently withdrew a referendum on a land-transfer tax after critics pointed out that the county failed to notify voters of the special election soon enough to conform to state law.

The commissioners voted unanimously May 27 to remove the tax increase from the ballot. Officials have no plans to reschedule the referendum, County Manager Paul Leek said.

If approved by voters, the land-transfer tax would have imposed a 0.4 percent fee on all real estate transactions in the county. Clay County officials said proceeds from the tax would have funded school construction needs, according to the *Clay County Progress*.

Commissioners had previously scheduled the referendum for June 24, but officials waited until May 15 to publish a one-page notice alerting the public to the upcoming vote, five days after the latest date necessary to meet statutory requirements.

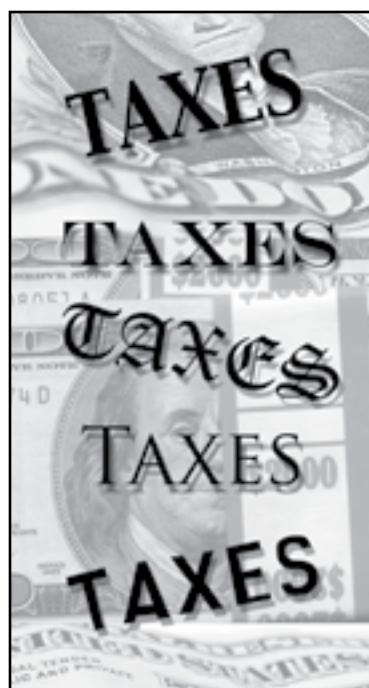
The county's tardiness in notifying voters of the ballot initiative violated state law, according to Rick Zechini, director of government affairs for the North Carolina Association of Realtors, an organization opposed to the land-transfer tax.

The association was prepared to file a lawsuit if the county did not reschedule the referendum, he said. "We aren't going to let up. We think that the public needs to know what the commission was trying to do," he said.

In response to an inquiry from the Clay County attorney asking for an opinion on the situation, State Board of Elections Director Gary Bartlett stopped short of intervening and said taking action to change the date of the ballot referendum was up to county officials.

"It is the Clay County Commissioners that have the authority to rescind their action or to reschedule the election if they believe notice was inadequate," Bartlett said.

"Any decision to cancel the referendum is up to the county board of commissioners and not within the discretion of either the county board of elections or this office," he said.



Kathy Hartkopf, legislative liaison for the government watchdog group North Carolina FreedomWorks, questioned why the commissioners chose late June to put the ballot question before voters.

"I find it deeply disturbing that the Clay County commissioners chose to ballot the real estate transfer tax when Clay County voters will be coming to the polls to vote in only one partisan race: the Democratic primary runoff for North Carolina commissioner of labor," Hartkopf said.

"It seems fair to assume that had Clay County commissioners truly wished their citizens to have a voice about this regressive tax, they would have balloted the initiative in May when voters of all affiliations had races in which to vote," she said.

The land-transfer tax is one of two local-option taxes that dozens of counties have considered during the last year.

The right to put the tax increases on the ballot stems from a budgetary provision approved by the General Assembly last summer that gradually transfers the Medicaid funding burden from the state's 100 counties to the state government.

Part of the new system allows counties to give voters the chance to approve a quarter-cent sales tax, a 0.4 percent land-transfer tax, or both.

The land-transfer tax has appeared on the ballot in 19 counties since November, and it failed in every county, often by wide margins. The sales tax has fared better, having passed in eight counties.

After the land-transfer tax went 0-for-4 on the May 6 primary ballot, lawmakers in the House and Senate introduced bills to repeal the statutory provision that gives counties the right to put the tax on the ballot. The Senate approved the bill 38-6, but the House took no action on it.

In an interview with the *Clay County Progress*, the Clay County commissioners and county manager said they did not know why the tax had proven so unpopular with voters in other counties.

"We think it will pass in Clay County because our citizens see the need for a new school, have always supported the school system, and value the education of the youth," they said. CJ

Commentary

Competing the Right Way

Sanford City Councilman Mike Stone is one of my favorite councilmen in North Carolina. He's an entrepreneur who runs a local grocery store and has figured countless ways to keep a competitive edge and earn a living.

Stone has taken popular stands opposing tax increases and strongly questioned the use of local incentives. Still under 40 years of age, Stone was originally appointed to the city council, and easily won election at-large to the town board. He ran a pro-taxpayer campaign against an unpopular business-privilege tax that was adopted to prop up the municipal golf course.

When Stone ran for office, he also found an ally in a district candidate named Charles Taylor. Taylor, like Stone, also ran against the business-privilege tax and for more openness in government.

Since being elected, Stone and Taylor have worked to bring more public attention to the inner workings of the council. They fought successfully to keep TV cameras rolling during council meetings and to bring more accountability to the golf course.

Taylor is starting to ask about water usage at the course. The public course doesn't pay water bills, but private courses do. Those bills run into the tens of thousands of dollars. That is yet another competitive disadvantage that private courses have.

When Moore Machinery Inc. was brought before the city council by the local economic development corporation for a taxpayer giveaway, Stone went to work. He questioned Economic Development Director Bob Heuts about how many of the incentives funded by the town went to businesses from out of town.

Heuts responded that only the new company was coming from out of town. The short answer was none. Moore Machinery Inc. was actually coming from an adjacent county. In fact, Moore Machinery Inc. already owned a building and was coming to Sanford despite the giveaway.

Stone was able to point out that these incentive packages come to the council with little additional information, with misleading facts,

and that there is very little, if any, accountability and follow-up by the city. That is the case statewide with these local issues. When is the last time your local newspaper ran a follow-up on cash grant giveaways?

Stone also pointed out that the data about wages on the jobs being discussed was based on an average, and, when weighed without the high-end management salaries included, would actually be quite low.

He said he hoped that the EDC was interested in bringing companies wanting to build a great town, bringing companies interested in contributing to the building of schools, and paying their fair share of taxes. Instead, he said he thought that incentives show that the EDC is apologetic in its approach to recruiting, having to give companies rebates if only they would come to Sanford. It's not legal to call them "rebates;" they must be called "cash grants."

Stone said the tax rate would be lower if four cents of the property tax revenues weren't given away. "It's hard to get growth to pay for itself if you're only able to get 50 percent of the taxes from growth that takes place," he said.

There's a great deal that local officials can do to challenge the overly simplistic approach to giving away incentives. They need to ask challenging questions.

Last year Guilford County officials put a 90-day moratorium on incentives. The sky didn't fall, and their new policies have three-year maximums, a good start. In truth, when counties compete with giveaways, tax revenue suffers.

Until such policies stop, local and state officials will continue the practice of economic discrimination against the companies they don't deem worthy of special giveaways. Stone believes we should be focused on competing with lower crime rates, better quality of life, and better schools. I agree. CJ



Chad Adams

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

Local Innovation Bulletin Board**Rail Transit and Energy**

Far from protecting the environment, most rail-transit lines use more energy per passenger mile, and many generate more greenhouse gases, than the average passenger automobile, says Randal O'Toole, a senior fellow with the Cato Institute.

Rail transit does not operate in a vacuum: Transit agencies supplement rail with extensive feeder bus operations. Feeder buses tend to have low ridership, so they have high energy costs and greenhouse gas emissions per passenger mile. When new rail lines open, the transit systems as a whole can consume more energy, per passenger mile, than they did before.

Even where rail transit operations save a little energy, the construction of rail transit lines consumes huge amounts of energy and emits large volumes of greenhouse gases. In most cases, many decades of energy savings would be needed to repay the energy cost of construction.

Similarly, technical alternatives to rail-transit can do far more to reduce energy use and carbon dioxide outputs than rail-transit, at a far lower cost. Such alternatives include:

- Powering buses with hybrid-electric motors, biofuels, and, where it comes from nonfossil fuel sources, electricity.

- Concentrating bus service on heavily used routes and using smaller buses during off-peak periods and in areas with low demand for transit service.

- Building new roads, using variable toll systems, and coordinating traffic signals to relieve highway congestion, which wastes nearly three billion gallons of fuel each year.

- Encouraging people to purchase fuel-efficient cars. Getting 1 percent of commuters to switch to hybrid-electric cars will cost less and do more to save energy than getting 1 percent to switch to public transit.

Stadium subsidies

Since 1990, construction of stadiums and arenas for professional sports franchises has occurred at a rapid pace, writes Dennis Coates, a professor at the University of Maryland-Baltimore County in *The American*.

Major League Baseball, comprising 30 teams, has opened 18 new

stadiums and has four more under construction. The National Football League, comprising 32 teams, has opened 17 new stadiums, renovated four others, has three stadiums under construction, and has four more projects at various stages of planning and negotiations.

The National Basketball Association, comprising 30 teams, has opened more than two-thirds of its arenas since 1990, including in Charlotte, and at least three NBA franchises are seeking new arenas.

In most cases, state and local governments have been closely involved in the financing, design, construction, and management or ownership of professional sports facilities. Depending on how one measures the public share of stadium costs, government has picked up 58 percent to 63 percent of the costs after 2000. The average public contribution to the total of capital and operating cost was \$149 million to \$161 million in 1995-99, and \$249 million to \$280 million in 2000-06.

The most basic question about stadiums, arenas, and sports franchises is the extent to which they contribute to the vitality of local economies. Professional sports environments, which include the presence of franchises in multiple sports, the arrival or departure of teams, and stadium construction, might actually reduce local incomes, Coates' research suggests.

Do-gooders doing mischief

Call it too much of a good thing. The rapid growth of U.S. nonprofits — revenues in the sector went from \$678 billion in 1994 to \$1.4 trillion in 2004 — has brought with it a decline in ethical standards. That's the finding of the Ethics Resource Center's most recent national survey of workers, *Business Week* reports.

Observations of fraud, including doctored financial records and lying to stakeholders, are about as prevalent in nonprofits — 55 percent of respondents said they have seen examples — as they are in the for-profit, 56 percent, and public, 57 percent, sectors.

A study of 58 charity fraud cases from the Certified Fraud Examiners Association's database found the median loss to be \$100,000. The center's study estimates that charities might lose as much as \$40 billion annually to fraud.

From Cherokee to Currituck**W-S Eminent Domain Bid on Hold**

Winston-Salem wants the authority to use eminent domain to acquire properties that are scheduled to be demolished. It won't get that power this year, though, the *Winston-Salem Journal* reports, because none of the members of Forsyth County's General Assembly delegation filed a bill to let the city do so.

Winston-Salem has the authority to tear down structures that don't meet the city's housing codes.

What city officials would like to do in some circumstances, however, is rather than tear down substandard buildings is to buy them and fix them. The city can't do that because it lacks the authority to use the power of eminent domain in such cases to force a sale.

The city's request that members of Forsyth County's legislative delegation file a bill to give it the authority was turned down over concerns about the wording of the law.

"The eminent-domain issue has a great deal of sensitivity right now," said Sen. Pete Brunstetter, R-Forsyth.

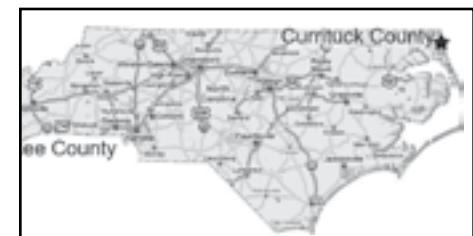
While Brunstetter and other local legislators agree that it's a good idea for the city to rehabilitate blighted houses rather than tear them down, they are concerned that any bill not become a mechanism for flipping properties to commercial development interests. The city and the delegation were not able to agree on specific wording by the time a bill had to be submitted for consideration this year.

"I think the word 'eminent domain,' it adds a certain red flag about it," Winston-Salem Mayor Allen Joines said. "None of us are really interested in a broad use of eminent domain. Even though this was a targeted effort, it certainly raised an issue."

Fayetteville zoning error

Fayetteville has revoked zoning permission for a group home that it had previously erroneously approved. Now the partners in the home and the city are arguing what damages the city should pay, the *Fayetteville Observer* reports.

Karen Bennett and Craig Shaw wanted to open a group home called KC Extreme. Fayetteville regulations prohibit group homes from being within a half-mile of each other. Shaw applied for a \$25 zoning verification to make sure a proposed location on Maxine Street in the Green Valley Estates neighborhood would qualify. He received an OK from the city in May 2007. Based upon the



approval, Shaw and Bennett signed a lease-to-own agreement on a house, which they then began to remodel to accommodate six to eight mentally disabled or physically disabled adults. They also applied for a state permit to operate a group home.

There was, however, a glitch in the computerized mapping software that Fayetteville used to grant its zoning approval. It was not until the fall, while the paper work was being done for the state group home permit, that the Cumberland County Department of Social Services noticed that the Maxine Street address was within a half-mile of an existing group home. Upon discovering its error, the city denied permission for the group home.

The city and Bennett and Shaw are arguing over compensation. Bennett and Shaw have submitted claims for \$85,225. The city has offered \$5,000, the value listed on the building permit.

Shaw and Bennett have rejected the city's offer.

"This was my life," Bennett said. "This was savings."

Urban sound walls

A group of legislators is pushing for the N.C. Department of Transportation to loosen its rules on which neighborhoods along urban stretches of interstate highways qualify for sound barriers. The effort comes in response to complaints about noise along a recently opened 7.5-mile stretch of the relocated Interstate 40 in Greensboro.

State regulations allow for DOT to pay for sound walls only for neighborhoods in existence when a new road is announced. It might be a decade or more before the highway is completed and ready for use. Subdivisions built in the intervening years do not qualify to receive noise barriers.

"As these urban loops go into our neighborhoods, we need to rethink how we treat our citizens," Rep. Pricey Harrison, D-Guilford, said to the *Greensboro News & Record*.

Harrison is one of the sponsors of the bill, which enjoys bipartisan support from legislators representing cities with urban loop projects.

Fayetteville
CITY LIMIT

Greensboro
CITY LIMIT

Neighborhood Fights High Density of Smart Growth Mandates

Some maintain new restrictions just as bad

By SAM A. HIEB
Contributing Editor

GREENSBORO

At least one neighborhood in the "capital of smart growth" is bucking the trend by requesting a neighborhood conservation overlay that mandates lower-density development, large lots, and wide setbacks.

Though the ordinance rejects smart growth principles embraced in Greensboro, some residents still argued it was too restrictive.

In the past, Greensboro has received national recognition for its smart growth developments, such as the downtown Southside neighborhood. Smart growth principles are founded on high-density, mixed-use development that is focused around transportation alternatives such as walking and bicycling.

The Westridge Neighborhood Association's request for an overlay appears to be the opposite of smart growth principles. The association made its presentation to the Greensboro City Council at a meeting June 3. Westridge Road is the main artery running between Friendly and Battleground avenues, two of Greensboro's major thoroughfares. It also has direct

access to Bryan Boulevard, which runs from Piedmont Triad International Airport to the inner-city area.

Despite having such convenient access to points east and west, Westridge Road has maintained its character as a classic post-World War II suburban development with ranch houses sitting on large lots covered with trees.

"The large lots and tree coverage make you feel like you're living in the country, although you're only four miles from downtown," said Jenny Etnier, overlay advocate. "It's the perfect place to raise children."

Fred Robertson, another overlay advocate, said Westridge residents formed a neighborhood association to fight higher-density development that wasn't in character with the rest of the neighborhood.

"We came together when a developer wanted to clear cut 3.7 acres and build some duplexes," Robertson said.

Tailored planning tool'

According to Greensboro's planning department, a neighborhood conservation overlay is a planning tool that helps "tailor zoning standards to reflect the special character of the neighborhood." Such standards might be detailed or broad, based on residents' input. The ordinance addresses only construction, not land use. Areas considered for an



Advocates of a conservation overlay for the Westridge neighborhood in Greensboro wanted to prevent high-density development mandated by "smart growth." (CJ photo by Sam Hieb)

overlay must be large enough to include all the lots on one side of a block.

Residents in an overlay are required to submit work plans for exterior changes to their property that are addressed in the development guidelines. Such work plans will be reviewed by city staff to make sure the plans comply with the ordinance.

In addition to both front and side setbacks and tree cover,

the ordinance would address main structure orientation and garage placement. Any modification that exceeds 25 percent of the existing structure would have to be cleared by the city's Technical Review Committee.

Some residents say the ordinance, with its restrictions on setbacks, would prevent development in the area and, worse, penalize existing homeowners who wish to build additions. Advocates say the ordinance's intent is to make new development comply with existing standards. If anything, some neighbors wanted tighter restrictions, they said.

"Administratively, we think it's straightforward. There have been a number of compromises to get something that hopefully works for the majority of folks," Greensboro Planning Director Dick Hails said.

Still, there was opposition. One smart growth advocate said the city should be concentrating on higher-density development that caters to pedestrians and bicyclists, especially on a street that runs between busy thoroughfares.

"Normally I would be very much in favor of a neighborhood conservation ordinance," said Wes Armstrong, a trained city planner and a member of American Institute of Certified Planners. "The threats I see to

the neighborhood are traffic, lack of pedestrian facilities, lack of bicycle facilities, and, maybe to the aesthetic appeal of the neighborhood, phone lines and utility lines. I think the design of this ordinance is to thwart rezonings. We should be building density into our neighborhoods instead of prohibiting them by requiring large front-yard setbacks. The impact of the ordinance would retain rural land-use patterns on Westridge Road as opposed to urban land-use patterns that promote walkability and smart growth."

Neighborhood control

A Westridge resident, Ed Catalano, told the council that he moved into the neighborhood nine years ago because of the existing zoning guidelines. Now, he was being asked to adapt to different guidelines that, he said, punish homeowners like himself.

More young families are moving into the neighborhood, Catalano said, and the ordinance would discourage them from putting additions onto their houses. Landowners can still knock down existing homes and build new homes that don't fit with the characteristics of the neighborhood as long as they comply with setbacks, he said.

"I didn't move into a neighborhood with different guidelines. Now I'm being asked to abide by these new rules my neighbors want to put on there. They say it's only for new development; it won't affect existing homeowners. I don't think it does," Catalano said.

Despite the lively debate, the City Council voted, 8-0, to pass the ordinance. Afterward, council members praised the neighborhood association for its hard work.

"I'm a proponent of strong neighborhoods. I think they make a better city," Councilwoman Goldie Wells said. "If we had that more in Greensboro, it would be a better place."

"This was not created to stop development. This was created to create another community," Councilman Mike Barber said. "You guys have really put heart and soul into this. You know me; I support development. But I don't see this as one or the other. I see this as compatible. You guys want to control what your community's going to look like."

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The Learning Curve

From the Liberty Library

• The new Russia is marching in an alarming direction. Emboldened by escalating oil wealth and newfound prominence as a world power, Russia, under the leadership of Vladimir Putin, has veered back toward the authoritarian roots planted in czarist times and firmly established during the Soviet era. Though Russia has a new president, Dmitri Medvedev, Putin remains in control, rendering the democratic reforms of the post-Soviet order irrelevant.

Now, in *Putin's Labyrinth*, acclaimed journalist Steve Levine, who lived in and reported from the former Soviet Union for more than a decade, provides a penetrating account of modern Russia under the repressive rule of an all-powerful autocrat.

Putin's Labyrinth is more than an immensely readable exposé. It is highly personal, with the flavor of a memoir. Learn more at www.randomhouse.com.

• Tell a woman we need to save the males and she'll give you the name of her shrink. But cultural provocateur Kathleen Parker makes a humorous case for rescuing the allegedly stronger sex from trends that portend man's cultural demise.

Save the Males is a shrewd, amusing, and sure-to-be-controversial look at how men, maleness, and fatherhood have been under siege in American culture for decades. Parker argues that the feminist movement veered off course from its original aim of helping women achieve equality and ended up making enemies of men.

While Parker gleefully skewers the silly side of the human experiment — like men in dresses and sperm shopping — she offers sobering statistics on the impact of the anti-male culture on the institution of the family and on relationships. Available at www.randomhouse.com.

• In the wake of the historic elections of 1994, there were great expectations that the new Republican majority would end congressional corruption while introducing 21st century business practices to the most antiquated and dysfunctional of institutions.

In *Naked Emperors: The Failure of the Republican Revolution*, Scot Faulkner describes how the promise of fundamental change went unrealized. While the corrupt ways of the Democrats ended, new forms of corruption arose. More at www.rowmanlittlefield.com

CJ

Book review

Feith Offers Insider's View of Buildup to War

• Douglas Feith: *War and Decision: Inside the Pentagon at the Dawn of the War on Terror*; Harper Collins; 674 pp.; \$27.95

By SAM A. HIEB

Contributing Editor

To say that Douglas Feith's *War and Decision: Inside the Pentagon at the Dawn of the War on Terror* is an important book is an understatement. It should be required reading for a general public heading into an election in which the war in Iraq will certainly be a major issue.

Supported by 120 pages of documents and footnotes, Feith, who served at the time as undersecretary of defense for policy, puts to rest the notion the decision to go to war was a hasty one based on lies ("Bush lied, people died" is a favorite mantra of the left).

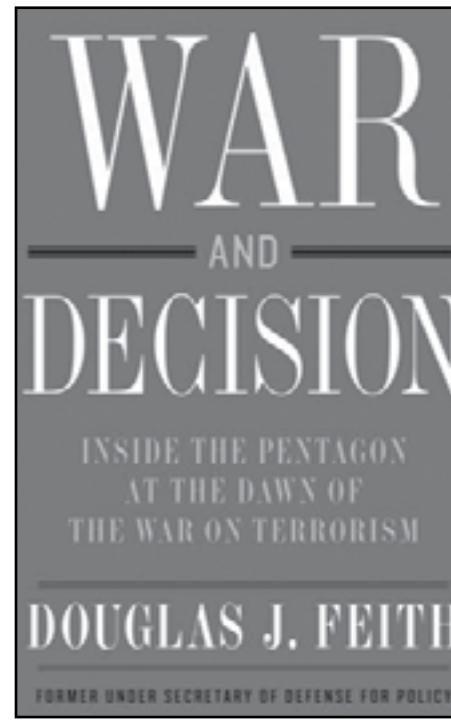
"The decision to oust Saddam's regime should not be regretted. The President, with the support of Congress, launched the war for sound reasons. Neither Iraq, nor America, nor the world in general would be better off if Saddam Hussein remained in power," Feith writes. "As in Afghanistan, the U.S., and other coalition forces that have prosecuted the war in Iraq have done an important service. To claim that they have fought and sacrificed for a mistake, let alone a lie, is both cruel and untrue."

But Feith also acknowledges that mistakes were made as the process of planning and executing the war wound its way through the bureaucracy that has its enduring grip on Washington. Political infighting, miscommunication, haggling over small details, and aloof policy makers all played their role in undermining the war effort, no matter how noble its cause.

Feith frames the issue of war with Iraq around the Sept. 11 terrorist attacks, which, with good reason, prompted the United States to take any threat to its national security with utmost seriousness.

There seemed to be little doubt that Iraq posed a major threat to U.S. security since the 1991 Gulf War. Iraq's refusal to comply with U.N. sanctions had led to official U.S. policy promoting the overthrow of Saddam Hussein. Such policy manifested itself in the Iraq Liberation Act of 1998, which Congress passed overwhelmingly was signed into law by former President Bill Clinton.

When Clinton ordered air strikes on Iraq in December 1998, Rep. Nancy Pelosi, D-Calif., speaker of the House and vocal war opponent, declared, "Saddam Hussein has been engaged in the development of weapons of mass destruction technology which is a threat to countries in the region and he has made a mockery of the weapons inspection process."



What exactly went wrong in the lead-up to the war? It's no secret that the Central Intelligence Agency, led by Clinton holdover George Tenet, is the major bungler in this story, and Feith certainly reinforces that view.

Feith provides similar quotes from other prominent Democrats not only to show the bipartisan mood regarding Iraq at the time, but to call out those who now are "interested in obscuring their records of support for the war."

Though Clinton, according to Feith, did not engage in such revisionism as he voiced his support for the war in 2004, "reflecting with empathy on President Bush's duty to defend his country in the face of disturbing risks of uncertain dimensions," it didn't stop his wife, Sen. Hillary Clinton, from attempting to obscure her support for the war during her run for the presidency.

What exactly went wrong in the lead-up to the war? It's no secret that the Central Intelligence Agency, led by Clinton holdover George Tenet, is the major bungler in this story, and Feith certainly reinforces that view. The CIA provided faulty intelligence on Iraq from the start, stubbornly refusing to admit that its limited resources prevented it from gathering solid intelligence inside Iraq's closed society. Even with the CIA's intelligence, it was a huge gamble

for the Bush administration to make WMD a major focus of its case for war, considering the fact that Secretary of Defense Donald Rumsfeld warned of the possibility that WMD stockpiles — as opposed to capabilities, an important distinction — might not be found, greatly damaging U.S. credibility.

Conversely, the CIA, in Feith's view, underestimated Iraq's ties to al Qaeda. An intelligence analyst working for the Defense Department dug up intelligence reports dating to 1996 linking al Qaeda and the Iraqi government, intelligence that the CIA downplayed.

The Defense Department's persistent questions about this intelligence — only in the effort to get all possible information and initiate all possible debate — was construed by the media and war opponents as evidence that the CIA was being pressured to alter intelligence to fit the views of Defense officials, though not one case of untoward pressure was ever discovered.

Regarding personalities, Feith defends Rumsfeld, who "wielded a courageous and skeptical intellect" throughout the process. Rumsfeld came up with ideas "short of regime change but could still reduce the WMD danger to some extent," such as attacking WMD sites and seizing Saddam's economic assets. Rumsfeld was insistent that the United States clearly state its goals in order to maintain credibility with the rest of the world.

The United States shouldn't promise democracy in Iraq because there was no way to ensure it, Rumsfeld warned. Similarly, the United States should not threaten to go to war if it did not intend to do so. As U.N. diplomacy over Iraq dragged on, Rumsfeld and Secretary of State Colin Powell vigorously debated whether Iraq's weapons declaration constituted a "material breach" of Resolution 1441.

By the same token, Powell, who "came to be seen by some commentators as opposing regime change or war," comes across in the book as indecisive, lacking Rumsfeld's attention to detail and showing an unwillingness to "challenge strategic or conceptual arguments from Defense, and especially not in writing." And though Defense officials urged Powell to give equal weight to Saddam's links to terrorism, his aggression, and his violation of human rights in his famous Feb. 5, 2003 speech to the U.N., Powell chose mainly to talk about WMD.

Given the extreme cost of the Iraq war in lives, money, and U.S. credibility, Feith's book is sure to be regarded by many as an attempt to defend the indefensible. That said, it similarly strains credibility to believe that President Bush would lie in order to prosecute such a costly war.

Unfortunately, that's the mindset of many Americans heading to the polls this November. CJ

The Learning Curve

Studying Commoners Can Teach Us as Much as Studying Kings

Why would I want to study peasants, when I can study kings?" asked a fellow historian, who is a best-selling author. "Kings," he said, "made history."

He was reacting to my comment that it's important to study "normal" people. My friend thought I was trumpeting the usual social history mantra. But I meant something different.

For reference, let me first define social history. It is the emphasis on the experience of ordinary Americans, and, according to one historian, it is "attention to previously neglected groups. . . [and] a fundamental redefinition of history."

Since the 1960s, a new American history is being written that puts workers and minorities, to name two examples, as principal agents in the making of U.S. history. Social history also presents government intervention — not all the time, but most of the time — as the solution to societal

problems. If a problem wasn't solved, it was because the government didn't intervene enough, according to social history.

My friend's sarcastic answer was based on that definition, and because many

social historians have overemphasized previously ignored groups and movements and have undone the American narrative. But he missed my point: Many times it's not the subject that is the problem, but how it is studied and presented. For instance, by studying ordinary Americans, one can learn how individuals and families solved many of their own problems. In short, one can learn how the free market has offered solutions to societal problems.

To me, strictly asking questions dealing with kings or presidents or officials indicates an assumption that only important things happen in government, because kings "made history." In some ways, then, this "conservative" or "traditional" approach to history can also foster statist



Dr. Troy Kickler

Even everyday life provides stories. The act of going to work and providing for one's and for his or her family's needs is a remarkable story.

assumptions and continue to ignore the history of the private sector in America.

Here are three examples from African-American history that reveal the history of the private sector:

1. In 1928,

The News and Observer of Raleigh featured a story about "Aunt Eliza," a freedwoman who earned an income and took care of needy children in her neighborhood. She assisted white families with newborns. Her income enabled her to buy a farm and home in which she later provided a "refuge for all the little outcasts and waifs in the community." Eliza trained the children in "habits of industry" and to obey the "laws of God and man."

2. During an age when government passed segregation laws, Charlotte Hawkins Brown established a school in 1902 for African-Americans in Sedalia: the Palmer Memorial Institute. A good fundraiser, Brown secured private funds to keep the school open for more than 50 years. Palmer

Memorial students had a rigorous curriculum that not only included traditional subjects but also music, French, tennis, and etiquette.

3. Another example from African-American history is to look at the increasing number of black property holders and businessmen during the late 1800s. Black businessmen and women were experiencing economic success. Robert C. Kenzer, in *Enterprising Southerners*, reveals how these African-Americans earned profits while providing goods and services for blacks and whites in their communities.

The examples could go on. Even everyday life provides stories. The act of going to work and providing for one's and for his or her family's needs is a remarkable story.

This Fourth of July, I will indeed remember my favorite presidents and the Founders of the United States of America and the principles for which they fought, but I will also remember ordinary Americans, then and now, who embody the innovative, individualistic, and rugged American spirit.

CJ
Dr. Troy Kickler is director of the North Carolina History Project.

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Comment and analysis on all things Charlotte

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Short Takes on Culture**Book Shows Federalist Impact**

• *Liberty's Blueprint*
By Michael Meyerson
Basic Books

The men who drafted the U.S. Constitution spent months debating the words, phrases, and clauses in the document that set the ground rules for U.S. government.

We cannot say the same about the much longer work that some people consider the "Cliff's Notes" of the Constitution. The Federalist Papers started as a series of 85 essays rushed into print in 1787 and 1788 as key states approached their constitutional ratification conventions.

Undoubtedly well-researched and usually well-reasoned, the Federalist essays were nonetheless designed to create a lawyer's brief for the proposed Constitution, rather than a dispassionate tract of political philosophy.

University of Baltimore law professor Michael Meyerson says that history has done little to dissuade politicians from returning repeatedly to Federalist essays during the past 200 years to justify new government policy decisions.

Since the essays have enjoyed such a long shelf life, Meyerson's new book offers valuable information. He details the genesis of the partnership between primary authors Alexander Hamilton and James Madison, the tight timetable and technical limitations with which they worked, and the impact of that work itself.

Meyerson offers an even-handed assessment of the Federalist essays' proper role in our current political climate, but he's clearly a fan. As he says in the book's subtitle, Hamilton and Madison "made democracy safe for the world."

— MITCH KOKAI

• *"Indiana Jones and the Kingdom of the Crystal Skull"*
Paramount Pictures
Directed by Steven Spielberg

Although a huge fan of the "Indiana Jones" movies, I'm convinced that this latest installment is a series-finisher more than anything else. Even if you buy the premise, which becomes clear only near the very end, the audience hasn't been prepared to suspend disbelief in the same way that worked so well for the original trilogy.

The movie suffers from too little plot and story development and way too much action. I was awed

by the sheer number of never-seen-before-in-an-Indy-movie ancient and diabolically clever mechanisms that lead to certain death for the trespasser, only to be outrun or outwitted by the ridiculously lucky good guys. It verged on the superhero level of invulnerability.

Now set in 1957, the Soviets play the power-hungry enemy. They are every bit as cold and machine-like as the most extreme stereotype would suggest. It's too bad they don't even have the vodka-drinking personal foibles that screenwriters gave the bad guys in "Raiders of the Lost Ark."

Who will like the film? Die-hard Indy fans, those who want a preview of some great potential thrill rides for the Disney theme parks, lovers of maximum action situations, speculators on the development of future "Indiana Jones" films, and maybe even some science fiction fans. But no need to make it first on your list.

— KAREN PALASEK

• "Appetite for Art"
Sponsored by the Historic Glenwood Brooklyn Neighborhood Association

The fourth annual "Appetite for Art" fundraiser to benefit the Boys and Girls Club of Wake County will take place July 26 in downtown Raleigh. The event will be held at Marbles Kids Museum at 201 E. Hargett St. and runs from 7 p.m. to 11 p.m.

The main event of the evening will be a live art auction consisting of traditional and contemporary paintings, prints, and mixed media art donated by local North Carolina artists. A live auction will be held for pieces valued at \$1,000 or more.

There will be a silent auction of various other items donated by local businesses and artists, ranging from wine and food gift baskets to sports memorabilia, gift certificates, professional services, jewelry, and more.

All proceeds will be donated to the Boys and Girls Clubs of Wake County, an organization devoted to strengthening and empowering our youth.

If you have an "appetite for art" or an urge to contribute to charitable causes, I encourage you to take part in this special event.

Tickets are on sale for \$100 until the day of the event. All tickets, donations and auction items are tax-deductible. Visit www.da4a.net for more information.

— JANA DUNKLEY CJ

Book review**Exploding the Myths of Antitrust**

• Edwin S. Rockefeller: *The Antitrust Religion*; Cato Institute; 2007; 103 pages; \$16.95.

By GEORGE LEEF

Contributing Editor

RALEIGH

Many years ago when I was in law school, I listened to a talk by a fellow student on antitrust law. At the beginning of his presentation, the fellow earnestly stated that antitrust laws were a "charter of freedom."

I was probably the only person in the room who winced. That "charter of freedom" line is a standard item of faith among most people, and nearly all lawyers, who have been told that antitrust laws protect companies — and thereby consumers — from the monopolistic designs of greedy business tycoons.

The reason I winced was that I knew that the charter of freedom idea is nonsense. As an undergraduate, I had read Dominic Armentano's iconoclastic book *The Myths of Antitrust* and understood that antitrust, far from protecting freedom, is an assault upon it. Armentano's book subjected the naïve belief that antitrust law is necessary to the preservation of free markets to withering analysis. Had the speaker read that book, he'd have known how foolish his remarks were.

Since Armentano's seminal work, there have been other scholarly critiques of antitrust. The most recent is Edwin Rockefeller's *The Antitrust Religion*. Rockefeller has impeccable credentials to write such a book. He is a lawyer who has served on the staff of the Federal Trade Commission, chaired the American Bar Association's antitrust section, and taught at Georgetown Law School.

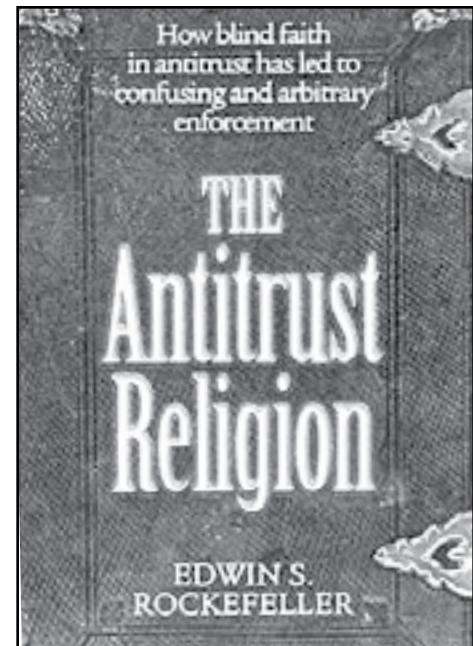
Rockefeller has given us a concise book that anyone can easily read. He doesn't try to cover all the many erroneous doctrines of antitrust, but only those necessary to prove his thesis that "antitrust is not consistent with our aspirations for a rule of law." Why is that? Rockefeller explains, "antitrust enforcement is arbitrary political regulation of commercial activity, not enforcement of a coherent set of rules."

That is to say, antitrust is the rule of men, not of laws.

Rockefeller argues that antitrust has all the trappings of a religion. It's accepted as a matter of faith and is built around a number of myths.

The central myth is one blindly accepted by almost all educated Americans. They have heard that the evil Standard Oil Company had a virtual monopoly in the oil business, causing government authorities to step in and break up the gigantic, dangerous firm. If you believe that, the rest of the antitrust catechism falls neatly into place: We need government officials to monitor business activity constantly to stop the ever-present threat of monopoly.

Rockefeller shows that the ac-



cepted Standard Oil tale is as baseless as a Halloween scare story. During the time of Standard's supposed market dominance, the price of refined petroleum products continually fell and competitors — yes, there were quite a few — steadily chipped away at Standard's market share. There was no problem.

The antitrust religion thrives on false history and encourages confused thinking. True believers call for antitrust enforcement to prevent the kinds of competitive injury that is inevitable under capitalism. "Belief in antitrust," Rockefeller writes, "is based on a kind of competition in which some win but none lose."

Rockefeller is absolutely correct that antitrust is not compatible with the rule of law. It was America's first instance of law so vaguely written that people didn't know what it meant. Unfortunately, since then it has been joined by others, as politicians enact legislation that in effect says to bureaucrats and judges, "Here are a few broad objectives — now you figure out what to do to achieve them."

Despite his solid case that antitrust is wasteful and counterproductive, Rockefeller holds out no hope that we will escape from its clutches. The religion is too deeply ingrained. Opinion leaders see it as a component of "social justice."

Even if we somehow repealed antitrust statutes starting with the Sherman Act, that might make things worse because of the existence of the Federal Trade Commission, which has been invested with broad, open-ended powers to regulate business "for the public interest." That's just as vague as a statute that makes it illegal to "attempt to monopolize."

The only way to root out the antitrust religion is to teach people the truth about capitalism. CJ

George Leef (georgeleef@aol.com) is book review editor of *The Freeman*.

The Learning Curve

Christensen Explores North Carolina's Political Paradox

• Rob Christensen: *The Paradox of Tar Heel Politics: The Personalities, Elections, and Events That Shaped Modern North Carolina*; The University of North Carolina Press; Chapel Hill; 2008; 312 pp; \$30.

By GEORGE M. STEPHENS

Contributing Editor

Rob Christensen finds a "paradox" in the simultaneous progressive and conservative strains running through North Carolina's politics, and he proves his thesis with thorough historical research and personal knowledge of recent events.

V. O. Key, in his classic *Southern Politics in State and Nation*, published in 1950, called North Carolina the "progressive plutocracy" (i.e., the business leaders and politicians aligned with them). Both authors noted the populism of the yeoman-farmers of the Piedmont and mountains and the coastal-plain conservatism.

The Paradox of Tar Heel Politics begins in the period just before the turn of the 20th century when the Fusion Party, which included Republicans, Populists, and blacks, captured the legislature, elected a Republican U.S. senator, elected as governor Daniel Russell, a planter who believed that blacks should have equal rights, and elected George White, a black man, to Congress.

The reaction by white supremacists was violent. There were deadly race riots in Wilmington. The Democrats' political campaign in 1898 was led by Charles Brantley Aycock, later revered in state history as promoter of education (segregated) for both races. The man behind Aycock was Furnifold Simmons of New Bern. He is hardly remembered now, but he was a U.S. senator for 30 years and head of the Democratic Simmons

Machine. The men he put in the governorship included Aycock, Robert Glenn, Locke Craig, Cameron Morrison, and Angus McLean. His machine backed business progressivism, maintained segregation, and ran a clean state government.

Simmons' New Bern dynasty was followed by the Shelby one from 1928 to 1948. It was similar to the Simmons Machine. Its leader, O. Max Gardner, dealt with the severe revenue problems of the counties in the Depression by having the state take over the roads and school-operations financing, and he consolidated the state universities in Chapel Hill, Raleigh, and Greensboro under one administration. After his term he became a powerful lobbyist in Washington. He died in 1947, and populist W. Kerr Scott successfully challenged the machine in 1948.

Scott proposed and backed a \$200 million bond issue to pave "farm-to-market" roads, which got the cars out of the mud and kept the dust off the laundry on the clothesline. Christensen converts the bond issue amount to \$1.7 billion in 2007 dollars and makes similar conversions throughout. It was extra work for him, but good work. It clarifies the historical comparisons. Scott pressed for power and telephone extension into rural areas and appointed a black to the State Board of Education and a woman as superior

court judge. His most controversial move was to appoint Dr. Frank Graham, president of the University of North Carolina, to the U.S. Senate. Graham was opposed for re-election by Willis Smith, a well-respected Raleigh lawyer. It was a sharp liberal-conservative choice, and the campaign against Graham became ugly and racist. Graham lost one of the most divisive elections

in state history. A footnote is that it introduced Jesse Helms, then an assistant to Smith, into N.C. politics.

Gov. Luther Hodges practiced moderation in race relations, avoiding the inflammatory practices of some other Southern governors, thereby enhancing North Carolina's image. He promoted industrial development and the Research Triangle Park, the engine of the state's technical-industry growth. Hodges, the lieutenant governor who served out Gov. William Umstead's term on his death, had no machine — hardly knew any politicians, but he was one of the business leaders.

Terry Sanford, his successor, insisted that the Tar Heel state strive to meet national standards — not just to be "best in the South." He built his own county organizations, partly depending on the old Scott structure. Sanford, like Hodges, worked hard to moderate racial passions. No N.C. district ever closed its

schools. He backed a strong program for education funded by a sales tax and used foundation grants to set up institutions such as the School of the Arts. He supported John F. Kennedy for president, which upset the conservatives.

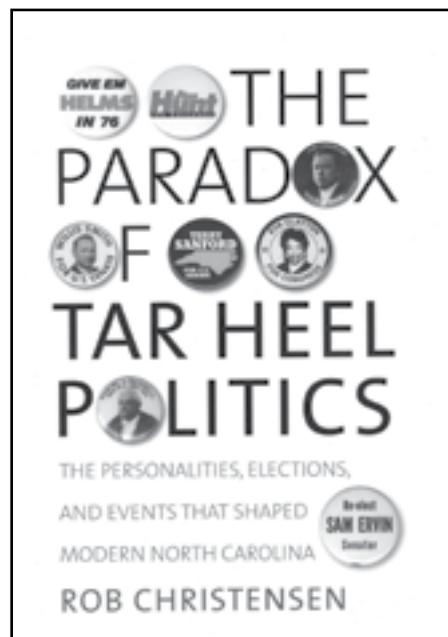
Christensen describes Jim Hunt's career, his four successful gubernatorial campaigns, and his unsuccessful one for the Senate. He chronicles the political events of the last 40-or-so years, especially Sen. Sam Ervin and his work on the Watergate and Army/McCarthy hearings.

Until about the 1970s the state's paradoxical progressive-conservative competition had been within the Democratic Party. That was about to change to two parties. In his last 100 pages Christensen concentrates on Jesse Helms, a different breed of politician. He says Helms and the radical 1960s were made for each other. *Brown v. Board of Education* had been decided in 1954, and the segregationists were angry. The South turned Republican, and Helms was a GOP icon.

He began his political career as commentator on a Raleigh television station, and he used television advertising effectively. His Congressional Club transformed political money-raising through direct mail. He represented the disaffected and was elected senator for five terms, 30 years, becoming fondly, or not so fondly, known as "Senator No" for his opposition to Washington's ways. He and his club saved Ronald Reagan's political life in 1976. It's in the book.

Christensen obviously is fascinated by his state with its split personality. He says that it "remains culturally conservative ... but is not content with the status quo ... a state caught between its memories of the past and its dreams for the future."

CJ



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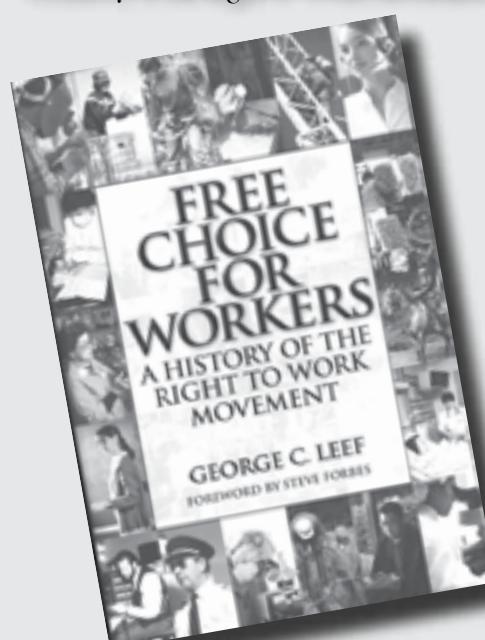
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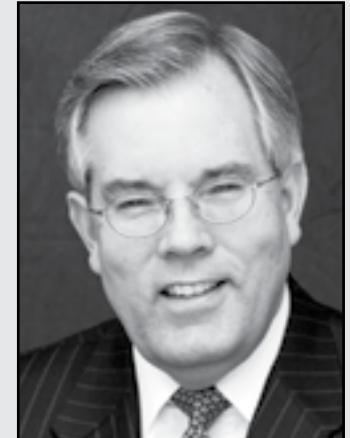


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Commentary

Government the Wrong Way

The N.C. House and Senate each have passed their versions of the 2008-09 state budget. A committee of those voting yes met to hammer out differences in the two budgets and consummate a final proposal called a conference report.

Because of a long-held closed and exclusive system of crafting state budgets by a Democrat-controlled General Assembly, the budget that came out of conference still got nearly every policy wrong, committed government resources in the wrong places with the wrong assumptions, and offered little evaluation of the results.

Both budgets spent more than \$21.3 billion. Each house started with \$619 million extra revenue and, except for putting a little aside in a reserve account, spent all of it. The overall increase from last year was less than in previous years. But the priorities in where the money was spent and the lack of transparency remained a problem. Also problematic was the recurring spending compared to the recurring revenue. The budget created a structurally unsustainable deficit that will be difficult for future legislatures to overcome.

The biggest increase in the budget was for pay raises. There were pay increases for teachers, 3 percent plus one vacation day; and state employees, 2.75 percent or \$1,100, whichever is more; and cost-of-living raises for retirees, 2.2 percent. The governor also got a 2.75 percent raise to \$139,590, which is still not as much as the \$246,000 the lottery commissioner pulls in.

Aside from reducing \$25 million out of the Highway Trust Fund transfer to the General Fund and using it for toll roads, the budget did little to relieve congestion on the state's highways. Further, it reduces spending on new roads without tolls by more than \$65 million. Legislators say roads aren't sexy. Since when is it government's job to be sexy?

There are all kinds of energy efficiency measures proposed, but again, without a look at whether any benefits were worth the cost. They continued to put money into corporate welfare programs with millions of new dollars into the One North Carolina Fund, One North Carolina Small Business Fund, the North Carolina Green Business Fund, and Job Develop-

ment Investment Grants. Special industries got special treatment from taxpayers with special funds to help the High Point Furniture Market, the Biotech Center, and the Biofuels Center.

Lawmakers continued to pour additional money into programs before they had been evaluated. This year they spent more than \$100 million for dropout grants, More at Four, and juvenile crime-prevention councils, all programs that had not undergone a review or evaluation to determine whether the programs were indeed working.

There are always pork projects included in state budgets, and this year was no different. A few questionable projects included an inflatable planetarium in Duplin County, a Veteran's Park in Fayetteville, the N.C. Freedom Monument in Raleigh, and a new polar bear exhibit

at the zoo, along with perennial favorites Queen Anne's Revenge and Johnson and Wales University.

It's not just the money that they spent; there is also \$672 million in new debt. The worst part is that the debt was incurred through certificates of participation, a financing mechanism that requires no voter approval and is more expensive than general obligation bonds.

Government doesn't just get bigger with dollars. There were hundreds of new government positions, all of which will be added to the state's payroll and health and retirement plan. These workers will receive pay increases and retirement benefits eventually.

There was some good news in the budget. It eliminated the Vision Care Plan, saving the state \$500,000 and finally stopping former Speaker Jim Black's shameful payoff to the optometrists that required that every kindergartener have a comprehensive eye exam before entering school.

Overall, however, this budget didn't reform anything, didn't move the state forward, and continued all the bad policies and priorities in spending. Nothing will be better in North Carolina because of this budget. CJ

Becki Gray is vice president for outreach of the John Locke Foundation.

Editorial**Easley's Drought Power Grab**

Gov. Mike Easley's chief legislative lobbyist complained earlier this year that Easley didn't have enough power in times of drought.

"There is very little middle-ground action for the governor—for a governor to take," said Franklin Freeman during public testimony before a legislative study group. "The governor's actions are more or less ... to do what he has been doing—which is to try to highlight this to the public; to encourage, cajole, inspire local governments, counties, and the citizenry to conserve and save—or to declare an emergency, which requires danger to health and safety of the people. And there's very little middle ground."

It's unlikely that fans of limited government would find anything wrong with those two existing options. If the governor wants to use his bully pulpit—but no taxpayer-funded programs—to urge more water conservation, fine. If North Carolina faces a legitimate emergency requiring him to take action, fine.

There's no compelling reason to search for a "middle ground," but that hasn't stopped the Easley administration. The governor used the drought conditions of the past year as a basis for pursuing a major increase in state power. Legislation Easley's office sent to the General Assembly would give the state a much greater role in local water-use decisions.

Easley and state Department of Environment and Natural Resources officials want a state commission to set minimum conservation requirements during droughts. In an emergency, water systems with adequate supplies could be forced to send water to communities suffering shortages.

That sounds like the end of local control of water resources. Oh, no, a DENR assistant secretary told reporters recently; cities and towns would

still have control. They could institute their own stringent water-use controls, as long as those controls included the state-mandated minimum standards.

The administration's proposals would do more than just grab power from local governments. Individuals would feel the impact as well. For instance, farmers who use more than 100,000 gallons of water each day would be forced to register that water use with the state.

What about people who get water from a private utility or their own private well? Wouldn't they be free from restrictions designed for people and businesses served by public water systems?

Not necessarily. One section of the Easley administration's legislation says, "A city, county, or unified local government is authorized to apply water conservation measures to all water users within its jurisdiction, including water users served by an investor-owned utility or private water supply well."

In the rush to intensify state power over water use, the Easley administration completely ignores the negative role government already plays in limiting public access to water. Nothing in the legislation addresses the best way to meet a rising demand for water: a larger supply.

Free-market pricing also escapes the governor's notice. While his legislation says, "No water system shall use a rate structure that gives residential water customers a lower per unit water rate as water use increases," there's no indication that water rates would be left free to respond to market conditions.

There's no good reason for North Carolinians to sacrifice more of their freedom just because Easley felt miffed about his lack of power during the recent drought. The legislature can safely ignore Easley's desire to create a new "middle ground" at the expense of homeowners and taxpayers. CJ

Don't Panic on the Drought

Legislature shouldn't be too quick to adopt Easley's changes

Failing to enact needed legislation to address an important issue is bad. But enacting the wrong legislation is worse.

Earlier this year, Gov. Mike Easley proposed sweeping changes to environmental law and the state-local relationship as a response to the recent drought afflicting much of North Carolina. He might mean well, and his administration might have every intention of putting people and resources in place to implement the proposals wisely, but they are controversial for good reason. They rely primarily on statewide mandates, on centralizing power, on extending governmental oversight to previously private transactions, and on restrictions instead of incentives to promote the efficient use of water.

In the midst of the summer session of the General Assembly, as leaders tried to hammer out a budget deal and members itch to go home to campaign, there was a good argument for thoughtful inaction on Easley's initiative. As difficult as last summer's drought proved to be, North Carolina communities muddled through. They already had a number of tools at their disposal to manage water

scarcity, ranging from market pricing to use restrictions, and most used them. No community ran out of water. It seems obvious that localities can wait for another year or two, if a delay is required to ensure that new state legislation doesn't needlessly trample on local prerogatives, private initiative, and property rights.

Lawmakers have a lot of careful study and work to do if they want to produce sound legislation rather than a panicky response to a hot (and dry) issue. For example, the governor seems convinced that local elected officials can't be trusted to borrow each other's best ideas or work out deals to address imminent shortages. Will North Carolina localities make some poor decisions? Certainly. But state officials are unlikely to improve on the local performance, based on past experience.

Running parallel to legislative debate on the drought is a statewide study of North Carolina's water resources, trends, and challenges. Its findings are due within the next couple of years. Before lawmakers in Raleigh make broad, lasting changes in state water policy, it might make sense to wait to learn the facts first. CJ

Just Who's Being Massaged?

Certification of therapists just an attempt to limit competition

If you have at least a passing familiarity with how occupations get licensed by state governments, it will not surprise you to discover that the North Carolina chapter of the American Massage Therapy Association endorses a bill from Sen. Janet Cowell to increase regulation of massage therapists. It will also not surprise you to learn that some in the industry, particularly start-ups and solo practitioners, don't like the idea.

Cowell, who as Democratic nominee for state treasurer is completing her last term in the N.C. Senate, got that chamber to approve her massage-therapy bill last year. That means it's still alive in the House. One of its main provisions is to increase the cost of securing state licensure.

Why, then, would the industry's trade association and major players welcome such higher costs? Because they would have the effect of discouraging new entrants into the market. For existing practitioners, this would have two benefits. First, they expect to make more money than the higher fees would cost them, because of diminished competition. Second, they expect to enjoy higher social status by retaining membership in a more-exclusive professional club free from perceived sleaziness.

It's rational, then, that smaller operators and people who want to break into the business of massage

therapy would be less enamored with the bill. It's aimed at them. Of course, no powerful lobbyist represents them on Jones Street.

The whole regulatory regime is portrayed as pro-consumer, but it's hard to see what significant problem it would alleviate. Yes, some North Carolinians may still have a hard time distinguishing between massage therapy and "massage therapy," if you catch our drift, but let's analyze the situation carefully. Clients who are looking for true therapy are unlikely to seek it at a trailer situated just off the interstate with a big neon sign. And legitimate therapists already have a multitude of voluntary certification and marketing tools available to communicate with potential clients about their services.

So the more likely misunderstanding would be in the other direction — pathetic fellows looking for lust in all the wrong places might proposition massage therapists.

In our view, we don't need additional state legislation to protect said massage professionals from acts that are already illegal.

There is nothing worthwhile in Cowell's bill that can't be accomplished by voluntary certification. What's left is an attempt by a special-interest group to use the power of the state to exclude their competitors. CJ

Commentary

Increased Energy Interest

The most important number in American politics right now is the price of gasoline at the pump.

It's more important than survey results about far-off presidential or congressional elections. It's more important than the price of oil per barrel, which for most voters is an abstraction. It's more important than unemployment or foreclosures, because while voters find rising rates worrisome, they correctly perceive their own risk of losing a job or home to be low. The price of gas is even more important than the price of bread or milk, because unlike grocery prices it is posted in big, illuminated numbers that motorists see daily even when they aren't stopping to fill up.

The average \$4 per gallon price of gas helps to explain a lot of today's political trends. Some but not all of them reflect bad news for President Bush and his political party. Clearly, it's a major factor pulling down Bush's approval rating and pushing up the percentage of Americans who believe the country is on the wrong track. Both auger well for Democrats.

However, \$4 a gallon is also the major explanation for why Republicans welcomed a floor debate in the U.S. Senate on a proposed global-warming bill that would have further jacked up energy prices, and why Democrats changed the subject as quickly as they could. Measures to combat a projected risk from climatic changes over the next 50 years might be salable in theory, but not when the costs come into focus and consumers are already up in arms about their fuel costs.

Gas prices helped to explain why, here in North Carolina, there was little sentiment in the General Assembly in favor of giving localities the ability to levy local gas taxes to fund infrastructure improvements. And it explains why most North Carolinians now favor an end to the prohibition against drilling for oil or natural gas off the Carolina coast, a prohibition that never made environmental sense

and is now patently absurd.

Markets coordinate information through the price mechanism. Right now, the energy market is screaming through a large megaphone that worldwide consumers want more gasoline and diesel than is currently being produced.

The logical response to this price signal is to bring more product to market, tapping oil fields and other sources that were not economical at the lower prices. Over time, if supply is allowed to catch up with demand, the world market price for oil will fall back down. But if governments artificially constrict supply, through unwarranted regulations or new taxes on producers, the market won't equilibrate.

That's the gradual-adjustment scenario. There's actually a more optimistic take (or pessimistic, if like Obama and others you believe that higher gas prices are a good thing). *Fortune* editor Shawn Tully argued a few days ago that world oil

prices could tank, not just diminish gradually over time, in a kind of energy-market echo of recent booms

The average \$4 per gallon price of gas helps to explain a lot of today's political trends.

in housing and tech stocks. One reason is that some of the worldwide demand for oil is itself being artificially stimulated by price controls and other government policies in China, India, Malaysia, and other developing countries. Every time their consumers buy gas at subsidized prices well below what Americans are paying, their state-owned energy companies lose money. Faced with burgeoning budget deficits, many of these countries are starting to cut subsidies and decontrol prices, with predictable effects on demand.

Americans are reacting to higher gas prices in myriad ways. Sales of SUVs are down. Vacationers are taking shorter trips. And as voters, they are paying increased attention to government policies on energy and how they affect consumer prices. Good. CJ

John Hood is president of the John Locke Foundation.

Editorial Briefs

Kiwi climatology

Wellington, New Zealand officials are debating a cap-and-trade strategy to meet the nation's Kyoto Protocol targets. Because New Zealand is already a low carbon-dioxide emitter, most of its emissions come from agricultural sources, such as sheep. Government officials are proposing to implement caps not only on carbon dioxide from industry, but also on methane and nitrous oxide from farms.

As in smaller plans in the United States and European Union, New Zealand would cap the country's emissions at a level allowable under Kyoto and distribute tradable credits to businesses and farmers.

Under Kyoto, New Zealand committed to reduce its emissions to 1990 levels, in effect a 30 percent reduction from expected emissions in 2012.

Meeting those targets will be hard, *The Wall Street Journal* says. New Zealand already uses a wide range of hydropower and renewable energy to cut carbon dioxide use. For agricultural gases, new kinds of fertilizers might help, but only to a point. For the rest of the cuts, farmers will have to persuade cows and sheep to emit less — or have fewer cows and sheep.

The government's plan would trigger 22,000 job losses by 2012, or 1 percent of today's employment, according to the New Zealand Institute of Economic Research. That translates into NZ \$4.6 billion, about U.S. \$3.6 billion, annually in lost gross domestic product, or a NZ \$3,000, about U.S. \$1,536, cut in each household's annual spending.

This analysis assumes that as greenhouse gas fees make Kiwi industry less competitive globally, businesses and jobs will move overseas.

Loss of fuel economy

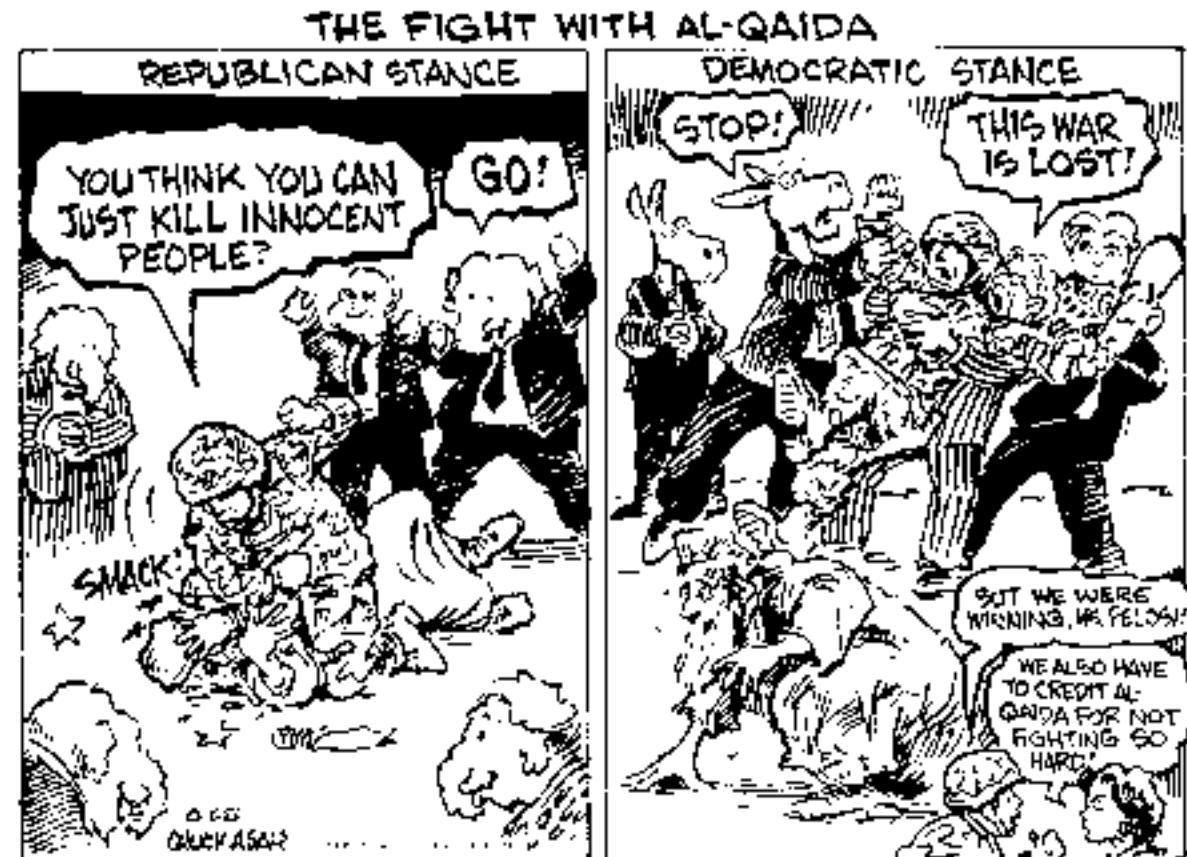
Conventional gasoline delivers more energy than a gallon that contains ethanol, the *Kansas City Star* reports. A gallon of ethanol contains 76,000 British thermal units, while conventional gasoline has 115,000 Btu. A blended gallon of gasoline that contains 10 percent ethanol gets 111,100 Btu. That amounts to a 3.4 percent reduction in energy, which over the course of a year of normal driving would take an additional 40 gallons of E-10 to go the same distance as conventional gas.

If it's E-85, a blend containing 85 percent ethanol that can be used in specially equipped vehicles, the energy loss soars and more than offsets its lower cost, even though E-85 is about 60 cents per gallon less at retail than conventional gas.

Mileage can be reduced by about 25 percent with E-85. Over the course of a year, that amounts to an extra 300 gallons of E-85 to go the same distance as when using conventional gas.

To motorists who have the flex-fuel vehicles that can use the fuel, it's tempting to purchase E-85 because at first glance it appears to be a great deal compared with conventional gasoline. But at least for now, it isn't. The national average pump price for the fuel on April 24 was \$2.91 per gallon. Regular gasoline was \$3.56. But adjusted for its energy content, the price for E-85 jumps to \$3.83, or 27 cents more than regular.

CJ

**Inflation Gauged by Stats, Not Emotions**

Eggs up 30 percent, milk up 16 percent, cheese up 14 percent, and gas up a zillion percent (actually, 26 percent). These are the price increases consumers have seen for many common products over the past year. Yet many economists and government officials say not to worry, because inflation really isn't that big of a deal.

"What?" you're probably shouting right now. How can inflation not be a problem with these kinds of price jumps? Are economists looking at numbers different than those on the street?

OK, first, what do the statistics say? For all the products and services followed by the official government inflation measure, prices, on average, are up 3.9 percent over the past year. Granted, this is higher than the 1.5 percent to 2.5 percent annual increases enjoyed for most of this decade, but it's a far cry from the double-digit inflation rates of the late 1970s and early 1980s.

Also, rapid inflation has been largely confined to two areas — food and fuel. Stripping out those two areas, inflation in the last year is running at a 2.3 percent rate.

So is there something wrong with consumers' perception of inflation that makes them overstate the actual rate? Or is there something amiss with the official measure of inflation that makes it underestimate what's really happening with prices?

Let's look at the second question first — how inflation is measured. Every month the federal government collects prices for hundreds of consumer products and services sold in more than 20,000 stores. The prices are averaged together to form an overall price index. But, and this is very important, each price isn't counted equally in the average.

This means prices of items we spend more on get a bigger weight in the average, and prices of items we spend less on get a smaller weight in the average.

Herein lies one explanation for the apparent discrepancy between what consumers think the inflation rate is and what the official numbers show.



Michael Walden

For the food items mentioned in the first paragraph, eggs account for only one-tenth of 1 percent of consumer spending, and milk and cheese each account for only three-tenths of 1 percent. All of food, including what we use at home and what we buy from restaurants, makes up only 14 percent of consumer spending.

Perhaps the real shocker is gasoline. For all the attention it receives, gasoline takes only 6.5 percent of the average consumer's spending. This is less, by far, than what we spend on shelter, and about the same as our spending on medical care, on education, and on recreation.

Consumer perceptions are also part of the issue. It's human nature to focus on negative, or problem, areas of our lives and perhaps overlook the positive. When tracking prices, we remember the prices that have gone up and ignore or forget the prices that have dropped.

While rises in food and gasoline prices have received all the attention, unnoticed is the fact that many prices have been falling. Included in this category are prices of furniture, appliances, tools and hardware, clothing, TVs, and computers.

I know what some of you are thinking — these average numbers (such as 6.5 percent of consumer spending for gas) don't fit you. For many people, this is true. An average is just that, an average. Many people spend much more than 6.5 percent of their budget on gasoline, but many people also spend less. At the same time, many folks spend more than average on furniture, clothing, TVs, and computers, and these people have all gotten price deals in the last year.

So what's my point? It is that reality can be tricky. What gets hyped and what we remember might not be the whole story, and a good example of this is today's price inflation.

CJ

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

Statistics Belie DPI Claims of Annual Score Improvement

To the editor,

North Carolina's mix of student population defines North Carolina as the most average state in the United States. The N.C. state percentages match the national averages for free and reduced (F&R) price lunch, white students, and black and Hispanic students.

North Carolina's average scale score on the four NAEP (National Assessment of Educational Progress) tests for fourth- and eighth-grade math and reading is 250.75 points, nearly identical to the national average of 250 points. For the M4, M8, R4, and R8 tests, North Carolina performed better than 28, 23, 13, and 13 states, with many ties. The states most similar to North Carolina are Florida and Illinois.

Comparisons can be made between N.C. NAEP results and North Carolina's own EOG (End of Grade) test results even though the pairs of tests vary in difficulty, scale score ranges, standard deviations, and performance band definitions. After all, both tests are measuring the same students, and the compression of test scores to uSD values (units of Standard Deviation) — i.e., by dividing all test scores by the actual standard deviation for that test — will produce nearly identical distributions for NAEP and EOG. This is true as long as both tests are "good" tests, i.e., tests whose question selections initially present "normal" (bell-shaped) probability

**Letters
to the
Editor**

Both the NCES and the NC DPI claim that there has been statistically significant annual improvement for all grade levels. Such statements are suspect since they make the assumption that tests are equally difficult each year. This can be disproved.

distributions. Performance band "cut scores" and Fail-Pass cut scores can be determined in uSD for either distribution and will provide a full match across both distributions. If the NAEP were not a sampling test, one might reasonably suggest that one of these tests is unnecessary.

Gaps between white students and black (or Hispanic) students, e.g., give the same uSD gap for either scale score distribution. In fact, identical gaps are obtained for all years all the way back to 1992, and all gaps are nearly identical from year to year, with the math gap slightly larger than the reading gap.

It needs to be noted that these consistent uSD gaps are independent of the locations of any "cut scores." Both North Carolina and NCES (National Center for Economic Statistics) claim that the ethnic gap is decreasing each year. Since they are not employing uSD differences, but are dependent totally on the Fail-Pass cut score and the subsequent passing percentages, their attempts are inherently incorrect and totally misleading.

A more significant gap is that between F&R and non-F&R students. Scatter plots for all states show that NAEP scores are more closely aligned with this percentage than with black and Hispanic percentages. Nationally,

this gap is ~0.85 uSD, nearly identical to the overall white to black (or white to Hispanic) gap. This is probably not accidental, but the NAEP/NCES Web site (<http://nces.ed.gov>) does not give F&R percentages for each ethnic group, and so this cannot be directly confirmed. However, white student to black student gaps can be determined within both F&R and non-F&R. Those gaps are each about 0.5 uSD, which itself is a very large gap. This means that there are large residual ethnic gaps even when economics is (partially) removed. This needs further analysis by experts.

Four bands of performance are defined within both the NAEP and EOG tests. These bands are called BelowBasic | Basic | Proficient | Advanced {BB | B | P | A} for NAEP and Level1 | Level2 | Level3 | Level4 for EOG. These band groupings are not well aligned between NAEP and EOG, and fewer percentages of students are found in the higher bands for the NAEP evaluations. This does not mean that the NAEP tests are inherently more difficult, since the cut scores determine both the location and the widths of the bands.

The 2007 {BB | B | P | A} average percentages, over all four tests, for N.C. are {27% | 40% | 28% | 5%}. The average student performs, both in

N.C. and nationally, at the mid-Basic level. North Carolina (and the nation) performed best on the M4 test with 35 percent in the Proficient band, and performed worst on the R4 test, with 36 percent of the students at Below Basic. This clearly means that many students are being promoted who do not even meet the minimum-Basic performance level for NAEP, since some may meet the minimum-Level2 performance for EOG. Many more students are in Level 4 than in Advanced, but this too has no inherent meaning.

Both the NCES and the NC DPI claim that there has been statistically significant annual improvement for all grade levels. Such statements are suspect since they make the assumption that tests are equally difficult each year. This can be disproved. When properly measured, annual performance gains are quite variable and NAEP and EOG gains do not match. Inferred EOG gains, if real, would be producing huge N.C. SAT scores by now.

Neither the EOG nor the NAEP scale scores indicate what the inter-grade performance gaps are. It is possible to determine this for EOG tests since each grade level takes these tests. One might anticipate that this gap should be ~1.5 to 2.0 uSD's, which intensifies the difficulties of F&R students when they are promoted. It is very difficult to catch up.

**William T. Lynch, Ph.D.
Apex, N.C.**

William T. Lynch is a retired scientist, adjunct professor, and naval instructor, with special experience in teaching, statistics in general, and test statistics in particular.

Government Should Keep Hands Off Religious Doctrine

To the editor,

Gay marriage is in the news again, and people still seem to be confused with why Christians seem to have such a problem with it. I'm a Christian, so I'll try to explain (through my eyes at least). The foundation of marriage is religion. Every major religion has its doctrine regarding the process. Christians get married because it's the prescribed biblical method for choosing a mate. It happens to be one man plus one woman, strictly enforced. Religion has been the foundation for marriage for thousands of years, but somewhere along the line of American history, marriage became a process of government. People didn't have too much of a prob-

**Letters
to the
Editor**

It's always frustrating when government redefines your spiritual doctrine. Whatever happened to separation of Church and State, by the way?

lem with it at the time because it was fundamentally the same process, just through a different venue.

But now that the definition of marriage is being challenged, it contradicts the biblical doctrine to which most Christians "try" to adhere their lives. As long as this same-sex

union is classified under the umbrella of marriage, Christians will always take issue as it contradicts their core beliefs. It's always frustrating when government redefines your spiritual doctrine. Whatever happened to separation of Church and State, by the way? If some form of civil union was established outside the umbrella of marriage, many Christians

would be less outraged. They may not agree with the union itself, but the separation from their faith would be there. God's law would be preserved while Man's law would be suited to the masses.

Christians have a hard time understanding why same-sex

couples feel the need for marriage, as it is a ceremony derived from religions that typically don't favor homosexual behavior. If same-sex couples want to express their undying love for each other while at the same time enjoying all the standard tax breaks of a traditional married couple, I fail to see why it would be so difficult to create a new form of civil

union without bogarting religious terminology and practices. If the majority of citizens desire to establish a legal civil union with all the benefits of marriage, then I say let democracy reign! But when government mandates the change of a religious practice, that infringes on our religious freedom.

Regardless of what people wish to be true, marriage has its roots in religion. Christianity still has the highest percentage of followers in this country and the Bible adamantly speaks out against homosexuality.

So until those percentages change, there will always be strong opposition to gay marriage. People in this country have the freedom to choose what they want to believe regarding religion (and rightly so), but government has no place redefining religious doctrine, and marriage is religious doctrine.

**Jason Smith
Fort Mill, S.C.**

Gov. Easley's Confidential 'Bucket List' Revealed (a CJ parody)

By ROBIN LEACH
Special Correspondent

A copy of a handwritten document obtained by *Carolina Journal* outlines Gov. Mike Easley's 10 goals for the remainder of his term. The document titled "My Bucket List" is authentic, according to an Easley aide who spoke with *CJ* on condition that he remain anonymous.

The term "bucket list" gained popularity after a recent movie was released by the same name. In the movie, actors Jack Nicholson and Morgan Freeman portray terminally ill men pursuing a list of things to do before they "kick the bucket."

The aide said that though Easley is not ill he thought the term "bucket list" was appropriate for his dying second term as governor. Easley's eight-year stretch as governor will end in January, the aide said, and Easley wanted to take advantage of his remaining time as governor by prioritizing a list of things to do.

Easley told his staff that all items are equally important and that staff members must set up his schedule so he can complete the list, the aide said. Here is the list as it appears in the confidential document obtained by *CJ*:



Vacationing at the home of a friend on Sunset Key, an island off Key West, is item four on Gov. Easley's end-of-term "bucket list." (CJ photo by Don Carrington)

1. Travel to Italy again. Mary and I had so much fun it didn't even seem like work. I think we can go again for less money. I picked up some meal and car rental coupons last time that will expire at the end of the year.

2. Spend more time at the coast. I have two homes in Brunswick County, and I never liked living in the Governor's Mansion. It stinks. I am not spending another weekend there.

3. Unload Carteret County real estate. I got a deal on a million-dollar

lot, and I need to unload it before the market gets worse.

4. Vacation at Sunset Key. I have a buddy who owns a home on a private island next to Key West. I want to use it again — for the entire month of November.

5. Approve more travel for Mary. My wife would like to have a few more all-girl trips before the end of my term. I promised her she could use the state jet for one trip a month with Cultural Resources Secretary Libba Evans and the

girls wherever they want to go.

6. Do another woodworking show on UNC TV. That show I did was so much fun. I forgot for a while that I was governor.

7. Drive a racecar without crashing. I have a reputation to repair.

8. Watch every episode of the Andy Griffith show with Andy Griffith. Andy has been a wonderful friend, a loyal Democrat, and one of the few people I like to hang out with.

9. Greet people at Sen. Marc Basnight's restaurant in Manteo. I want to see what the big deal is. He must get something out of it that I don't understand. When I am out of office, our relationship will probably be over.

10. Find a job for Dan Gerlach.

My close adviser Dan has been a tremendous help in dealing with two groups I try to avoid — legislators and the media. I owe him for that. I tried to get him hired as the head of the Community College system and then as the head of the Golden LEAF organization. Neither effort was successful. It is clear that I will have to find him a job in another state. We plan to spend the entire month of August rewriting his resume and in September we will hit the road — or skies — for job interviews. CJ

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