

Annexation reform legislation gives residents a voice/2



CAROLINA JOURNAL

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

North Carolina	2
Education	7
Local Government	10
From Page 1	14
Higher Education	17
Books & the Arts	20
Opinion	24
Parting Shot	28

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N.C. Government Jobs Recession-Proof

In stark contrast, private-sector jobs in N.C. down 300k

By DON CARRINGTON
Executive Editor

RALEIGH

While Gov. Bev Perdue and her Democratic allies claim that the budget enacted by the Republican-led General Assembly will decimate public employment in the state, since the recession began in December 2007 government agencies have been spared the massive job losses that have occurred in the private sector.

Public-sector employment levels in North Carolina have been stable since December 2007, according to data from the U.S. Bureau of Labor Statistics. It would take a loss of 59,741 government jobs to match the nearly 8.4 percent net job losses that have occurred in the private sector during that time.

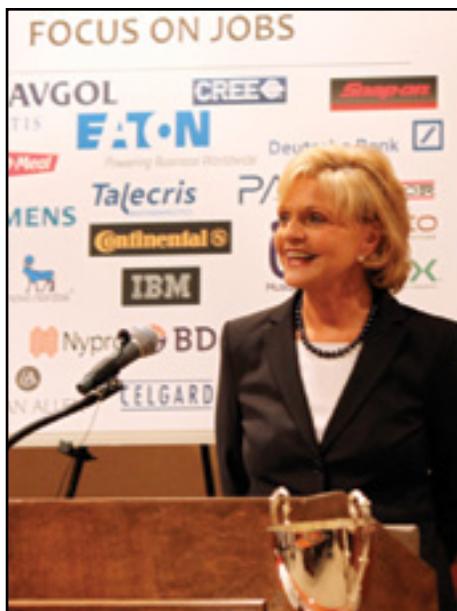
At the national level, the private sector has lost approximately 7 million jobs, or 6 percent. The public sector has



Incumbents, including President Obama at a Triangle Jobs Council meeting in June, and Gov. Bev Perdue at a jobs-related press conference in April in Raleigh, are trying to spur some momentum on job creation. (CJ photos by Don Carrington)

shed fewer than 200,000 jobs, or less than 1 percent.

Perdue's \$19.9 billion budget proposal extended three-fourths of the 1-cent sales tax increase that was set to expire at the end of June. The GOP countered with a \$19.5 billion spending plan that let the temporary sales tax sunset. Perdue vetoed the budget,



but the General Assembly overturned that veto, making the GOP plan law.

Some government job losses are likely to result from spending cuts in the new budget, but those job losses certainly will be overshadowed by the significant losses that already have taken place in the private sector.

Continued as "N.C.," Page 14

Job plans abound, but do any work?

By DON CARRINGTON
Executive Editor

RALEIGH

It seems that everyone has a "jobs plan" — a set of policies intended to jump-start employment and help the recession turn toward recovery. The outlines of the plans generally center on philosophical views of the economy.

Republicans and conservatives generally advocate reduced government spending and lower taxes to stimulate economic growth and employment. Democrats and liberals tend to focus on increasing government spending, protecting public workers, and pushing better training programs.

Behind the ideological debate over tactics, there are questions over not only the impact of policies at the federal level versus state-based initiatives, but also the role of government in job creation generally. The

Continued as "Job-Creation," Page 14

Republicans Advance Agenda in Feisty Session

Perdue issues record number of vetoes; one overridden so far

By DAVID N. BASS
Associate Editor

RALEIGH

Multiple arrests, witching-hour sessions, grouchy lawmakers, a boisterous budget debate, and plenty of red ink made the 2011 session of the North Carolina General Assembly one for the record books.

And technically, it's not over yet. Tar Heel lawmakers wrapped up their official "long" session June 18,



Gov. Bev Perdue vetoes the 2011-12 budget, which was later overridden by the General Assembly. (CJ photo by Don Carrington)

marking the earliest adjournment since 1973. During the past six months, the Republican-controlled legislature tackled a medley of issues unaddressed by the previous Democratic majority, including the charter school cap, tort

reform, gun rights, pro-life legislation, election-law changes, and regulatory reform.

The General Assembly will return to Raleigh in mid-July to handle redistricting, and again in August or September to pass constitutional amendments — two responsibilities guaranteed to generate even more bickering.

Underscoring the volatile atmosphere, General Assembly police made 18 arrests during the six-month session, including the arrest of a former U.S. Senate candidate and gay-rights activist who ran onto the House floor yelling during a session. The Rev. William Barber, state president of the NAACP,

Continued as "Republicans," Page 15

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Annexation Reforms Give Residents a Voice

By SARA BURROWS
Associate Editor

RALEIGH

Dozens of grass-roots activists wearing red shirts packed a legislative hearing room and filled the gallery of the North Carolina Senate in mid-June, awaiting a vote on the Annexation Reform Act of 2011.

House Bill 845 makes significant changes in the state's 50-year-old annexation law. It passed the Senate 37-11 June 15 and the House 104-5 two days later. At press time, on the last afternoon Gov. Bev Perdue had an opportunity to act, she had not signed the bill.

The bill makes two major reforms to the state's annexation policy. It gives those being annexed a voice in the process and provides them with "free" hookups to municipal water and sewer lines. And though reformers who have been working to change the law for 20 years have cheered the passage of H.B. 845, some lawmakers, along with residents of one community facing involuntary annexation, questioned how loud that voice would be.

Historic change

For more than a half-century, if a city wished to annex a neighborhood or individual parcels of land, property owners who did not want to be absorbed by the city had no power to block the move or to affect in any way the terms of the annexation.

H.B. 845 would give landowners the ability to fight city hall. It allows property owners to veto a proposed annexation if the owners of 60 percent of the parcels of land signed a petition opposing the annexation.

A few dozen Nash County residents targeted for annexation by the City of Rocky Mount — many of them senior citizens — spent the day in Raleigh waiting to hear the outcome of the bill. They came by bus. After the bill passed a Senate committee hearing at 2 p.m., the group voted to stay in Raleigh until the full Senate voted on the bill, which they were told might not happen until midnight.

"I was so excited I couldn't sleep last night," said the group's leader, Charlene Moore.

Moore, a resident of a rural Nash County community called Oak Level, said she and her neighbors had been fighting for annexation reform in North Carolina for years.

"We will be so glad when we can retire," she said laughing. Moore said she was sure that 100 percent of the residents of Oak Level would sign the petitions and overturn Rocky Mount's annexation.

Text change

Still, not all reform activists were satisfied fully with the bill. In the first two editions of H.B. 845, the petition to reject an annexation had to be signed by 60 percent of the property owners.

A proposed committee substitute to the bill, adopted May 11, altered that language to say that the owners of 60 percent of the parcels had to sign petitions before an annexation could be rejected.

Annexation reformer and Davidson County resident Keith Bost said the change is subtle but significant, espe-

cially for his golf course community, Sapona, which sits between the City of Lexington and land planned for a high-density housing development.

According to city emails, a developer wishing to build high-density housing just beyond Sapona asked to be annexed "involuntarily," along with Sapona, by Lexington. The developer wanted a sewer line built from the city limits to his development. Had he asked to be annexed "voluntarily," he would have been required to pay for the sewer line.

The involuntary annexation of the new housing development would let city taxpayers build the trunk line to his property. And the forcible annexation of Sapona would give the city a direct route — through the middle of the community's golf course — to the new housing development. A developer with a large undeveloped piece of land that has been divided into separate residential parcels could have dozens of petition votes, one for each parcel.

That means a single developer could outvote individual homeowners. In Sapona's case, the residents could be outvoted, allowing a city-initiated annexation to proceed.

Why the change from property owners to parcel owners? *Carolina Journal* learned that the language was added to provide clarity. Many undeveloped or partially developed tracts of land have multiple owners — including investors, developers, and lenders. In earlier versions of H.B. 845, it was not certain who would have standing to protest a proposed annexation. Since parcels of land must have clear legal title, any ambiguity over ownership would be settled.

A disincentive to involuntary annexation would remain, of course, as city taxpayers would have to pay for any infrastructure running to the annexed properties, and the cost of those additions could not be passed on to the new city residents.

Local bill?

Initially, H.B. 845 didn't give Nash County's Moore — or others whose annexations were under way — much hope. The bill has no effect on communities with annexation ordinances already adopted. But a last-minute transformation of House Bill 56 could give Oak Level and dozens of other already-annexed communities an opportunity for a retroactive petition vote.

H.B. 56 originated as a repeal of Rocky Mount's recent annexation, but was gutted and turned into an omnibus bill that suspends the annexation ordinances of nine cities around the state, giving those facing annexation 90 days to reject the ordinance by petition. The bill became law June 18.

In addition to Rocky Mount, the law suspends adopted annexation ordinances in Kinston, Lexington, Wilmington, Asheville, Marvin, Southport, and Ayden, until the residents have had a vote, and gives Goldsboro residents a chance to repeal an already-effective annexation ordinance by petition.

Another annexation reform — House Bill 168 — exempts farms from involuntary annexation, extraterritorial jurisdiction, and zoning by cities. Perdue signed the bill on June 27. *CJ*



Red-shirted annexation reform activists filled every seat at a Senate Finance Committee hearing on House Bill 845 June 14. (CJ photo by Sara Burrows)

Red Ink, Sweat, and Tears Flow in Raleigh as N.C. Budget Passes

Hotly debated \$19.5 billion bill took effect July 1

BY DAVID N. BASS
Associate Editor

RALEIGH

One may be the loneliest number, but two is the most contentious, at least in the North Carolina capital this summer. That's the percentage difference between Democratic Gov. Bev Perdue's budget for the next two fiscal years and Republican lawmakers' final version.

The variation — about \$400 million in extra spending out of a \$19.5 billion budget in the coming year and \$400 million of a \$20.4 billion plan in the final year of the cycle — might seem small. Not to Perdue, who uncapped her veto pen in June for the first time in state history to strike down the spending plan.

The reason: The GOP version would do "generational damage," "overlook" and "leave behind" preschool children, target the "environment and quality of life," and tear "at the very fibers that have made this state strong," Perdue said.

Republicans, in charge of the legislature for the first time since Reconstruction, disagreed. With the help of five Democrats, House Republicans took a witching-hour vote the morning of June 14 to override the veto, 73-46. The Senate followed suit later that day in a 31-19 party-line vote.

"This has been a session of real accomplishment," said Senate leader Phil Berger, R-Rockingham, "and a real change in direction for North Carolina,



House Speaker Thom Tillis

a direction that the people of North Carolina have long been looking for."

The main difference between the two spending plans boils down to priorities. Perdue's proposed budget devoted more funds to public education and environmental regulatory agencies than the Republicans' did, and she relied on extending most of a "temporary" 1-cent sales tax to do it.

On the other hand, the GOP let the tax increase expire and modestly trimmed spending in other areas. Perdue's proposal spent 1.4 percent more on public schools, while Republicans cut 12 percent from the Department of Environment and Natural Resources, twice the reduction Perdue recommended.

"I believe they chose to risk our children's future and our state's brand around the country and the world for less than a penny," Perdue said.

House Minority Leader Joe Hackney, D-Orange, was just as harsh. "The Republicans own this," he said. "It is their fault. We opposed them. The governor opposed them to the absolute



Senate President Pro Tem Phil Berger

end."

Berger has said the no-taxes move is about keeping promises. "Despite the governor's frantic media campaign, apocalyptic rhetoric, and creative accounting, the facts are clear: Our \$19.7 [billion] will do more for public classrooms and help the economy create more jobs than her own proposal," he said in a statement.

Getting to five

The Republican caucus has 68 seats in the House. That means the GOP needed four Democratic votes to achieve a three-fifths majority needed to overcome a veto. The GOP ended up getting five.

"Courageous" was the term Tillis used to describe the converts. "They know this is a good budget," the speaker said. "They know this is the right thing for North Carolina. I'm very proud. They're all men of honor and their word, and I'm proud to serve with them."

The five Democrats — Reps. William Brisson of Bladen County, James Crawford of Granville County, Dewey Hill of Columbus County, Bill Owens of Pasquotank County, and Timothy Spear of Washington County — hail from the eastern part of the state.

"We thought [the budget] was the best we could do," Hill told reporters after the House vote. "It was a good budget, and I can go to sleep tonight on it."

Not everyone happy

While limited-government advocates have praised the budget, some second-tier provisions raised their ire.

Early versions of the budget dramatically redirected revenue from the Master Settlement Agreement with tobacco companies, closing the Tobacco Trust Fund and Health and Wellness Trust Fund and snagging the Golden LEAF Foundation's \$68 million appropriation. Conservatives have criticized the three entities as boondoggles.

The final compromise took a much tamer approach by leaving Golden LEAF mostly untouched.

The budget also sends a one-time

appropriation of \$500,000 to Johnson & Wales University, a culinary school in Charlotte that received millions in taxpayer dollars due to a personal promise from former House Speaker Jim Black.

Brian Balfour, a fiscal policy analyst for the conservative Civitas Institute, called the extra spending "missed opportunities." He said they include subsidies to the North Carolina Symphony, aquariums, and local arts programs.

"For all their talk of 'right-sizing' state government, this budget made little attempt to actually eliminate lower-priority programs," Balfour said.

Abortion addressed

Cultural issues factored into the fiscal discussion when Republicans inserted three budgetary provisions aimed at cutting off funding for abortions and organizations that provide them.

In the first instance, legislators blocked about \$500,000 in federal pass-through grants to Planned Parenthood, the nation's leading abortion provider. The funds are earmarked for contraception and teenage pregnancy prevention programs in the Triangle area.

Another part eliminated the State Abortion Fund, a \$50,000 pot of cash largely unused since the mid-1990s. In past decades, the fund had paid out up to \$1.4 million annually for abortions.

Finally, lawmakers nixed coverage for elective abortions — which are those deemed medically unnecessary and often used as a form of birth control — from the State Health Plan, which covers state employees, teachers, and retirees.

Other changes

Aside from the budget, lawmakers tackled a broad fiscal agenda that included repealing an unpopular land-transfer tax, overhauling premiums and co-pays in the State Health Plan, and addressing non-voter-approved debt.

The health plan faces a \$30 billion unfunded liability. Under the compromise between Republicans and Democrats, employees choosing basic health insurance will contribute about \$10 a month in premiums. A plan offering more coverage requires \$20 per month.

In a rare example of bipartisan agreement, a handful of Democrats joined Republicans in shooting down a local-option land-transfer tax that has failed every time it's appeared on county ballots since 2007.

The House also passed a bill to overturn a law from 2004 allowing legislators to take on billions in new debt without voter approval. The Senate put off action on the measure until the short session next year.

CJ

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Proposed Occupational Licensing Laws Target Entrepreneurs

BY SARA BURROWS
Associate Editor

RALEIGH

At a time every politician's top priority seems to be creating jobs, North Carolina lawmakers seek to impose new barriers to entrepreneurs, proposing nearly a dozen new occupational licensing laws this session. Those that pass could require thousands of North Carolinians to go back to school and pay thousands of dollars for a license to continue doing the jobs they already perform.

From landscaping to braiding hair to picking locks, state legislators think a license is essential. And if a bill targeting your occupation becomes law, and you engage in one of these activities for pay without a license, you could be guilty of a misdemeanor or a felony.

Only one bill has moved out of committee during the current session: Senate Bill 447, which would expand the definition of landscape contracting, a practice that has required a state license since the 1970s. It passed the Senate and was in the House when the long session ended. But moves to expand licensing requirements retain bipartisan support, even under conservative Republican leadership.

Supporters of licensing laws say they're an essential means of protecting consumers from frauds and charlatans.

But critics say many licensing laws get most of their support from people already practicing the profession who want to limit competition — and government officials seeking greater regulatory powers. These laws also would increase consumer costs, as practitioners of newly licensed occupations would boost their prices to compensate for the time and expense licensing entails.

Music therapists

Music therapy is the "clinical and evidence-based" use of music to improve a client's "emotional, physical, and spiritual health, social functioning, communication abilities, and cognitive skills."

It is dangerous to practice music therapy without the proper education and training, said Rebecca Engen, a music therapy professor at Queens University.

"It is possible to use music harmfully," Engen said at a meeting of the Legislative Committee on New Licensing Boards June 1. "You can use music that's the wrong tempo or ... that does not have the right musical qualities, and it can affect someone physiologically in a way that it can be damaging."

That's why Engen supports House Bill 429, which would make it illegal for anyone to implement music treatments including "music improvisation, receptive music listening, song writing, lyric discussion, music



Mariama Diakhate (center) and two employees, Linda and Carine, braid customer Gloria Jones' hair at the African Braids by Miriam salon in Raleigh. Linda and Carine will likely lose their jobs as a result of an expanded licensing requirement. (CJ file photo)

and imagery, music performance, and movement to music" without a license.

Herbalists, personal trainers

The Naturopathic Licensing Act — Senate Bill 467 — would require naturopaths, homeopaths, and herbalists to get a doctorate degree and a license to continue doing their jobs.

The degree would have to be from a college approved by the newly created Naturopathic Doctors Licensing Board, and the license would cost \$800 up front and \$200 a year after that.

Anyone caught dispensing, administering, or advising the use of natural remedies — including food, food extracts, vitamins, minerals, enzymes, and botanicals — without a license would be guilty of a misdemeanor.

Bill sponsor Sen. Fletcher Hartsell, R-Cabarrus, said it's important to regulate and license people working in medicine — natural or conventional — to protect consumers from "snake oil salesmen."

Midwives

House Bill 522, Midwifery Licensing Act, is a little different from other licensing bills this session.

There are two kinds of midwives — certified nurse midwives and certified professional — or "lay" — midwives.

Nurse midwives already are licensed and practice legally in North Carolina, while certified professional midwives can be thrown in jail.

This bill would allow certified professional midwives to work without a nursing degree to attend women choosing to give birth at home. They still would be required to pay license fees and to be regulated by the state, but the rules wouldn't be as stringent as they are for nurse midwives.

Hair braiders

Under a law enacted a year ago, it is illegal to engage in African hair braiding without a license.

House Bill 791 would make it more difficult for those engaged in hair braiding before the bill became law to be grandfathered into the profession. Previously, anyone already in the profession before the law passed was exempt from licensure and additional educational requirements. Now braiders would have to prove they were working in the profession in North Carolina at least two years before the law passed.

Locksmiths

Locksmithing already is a licensed profession in North Carolina, but House Bill 889 would provide added protections to ensure no one is profiting from the practice without a license.

"No person shall possess any locksmith tools [tools designed or used to open a mechanical or electrical locking device] unless the person is licensed as a locksmith under this Chapter," the bill states.

The bill also triples locksmith license and license renewal fees from \$100 to \$300.

Landscape contracting

S.B. 447 is the measure expanding the definition of landscape contracting. It would, among other things, include "horticulture consultation," "planting design," and installing "low-voltage lighting systems" as professional services requiring a landscaping contractors' license.

Other licensure bills

- House Bill 753 would require

the licensure of X-ray technicians and radiation therapists.

- House Bill 639 would require the licensure of "exercise physiologists," a.k.a. personal trainers.

- Senate Bill 230, Podiatrist Licensure, requires makers of orthotic shoes to become licensed.

- Senate Bill 373 would require community association managers to be licensed.

Who does licensing help?

While many occupational licensing laws are passed in the name of protecting the public, they hurt many more people than they help, says Morris Kleiner, professor of labor economics at the University of Minnesota and author of *Licensing Occupations: Ensuring Quality or Restricting Competition?*

Typically, Kleiner said, the only parties helped by occupational licensing are those already established in the occupation, who seek to protect themselves from competition by setting up barriers to entry, and the state, which collects hundreds of dollars per professional per year in licensing fees. Entrepreneurs and consumers are damaged by licensing laws.

The laws are intended to "keep people out of the occupation," Kleiner said. They prevent low-income individuals from creating their own jobs and drive up the cost of services.

While many with libertarian sympathies may think it's OK to license medical occupations, Kleiner does not agree.

Right now almost 80 percent of medical workers are licensed, he said. It's the most regulated industry in terms of occupational licensing. And it's also the most expensive.

"And then you have the battle within the occupation," Kleiner said. "Should only a nurse be allowed to prescribe medicines? Should she be allowed to perform simple well-baby exams? Or is that something only a doctor should do?"

Kleiner added, "A nurse practitioner might provide some of these services at a much lower price, but the regulation says only a doctor can provide them."

If there were an area where licensing clearly benefited the public and reduced a health and safety hazard, Kleiner said he certainly would support it. But he has not seen an example of one.

More than 800 occupations are licensed by at least one state, ranging from florists to interior designers to surgeons, Kleiner said. About 29 percent of U.S. workers are required to get a license from local, state, or federal government agencies.

Kleiner suggests a good way to create jobs and jump-start the economy would be to start repealing occupational licensing laws, rather than creating new ones. CJ

Gas Tax Shortfall Fuels Talk of Federal Vehicle-Miles-Traveled Tax

Feds maintain DOT does not support a vehicle mileage tax

BY KAREN McMAHAN
Contributor

RALEIGH

As Congress crafts a six-year surface transportation bill replacing legislation that will expire later this year, transportation trade groups report that the Obama administration has floated the idea of new driving charges — a national vehicle mileage-based tax and tolls on some interstate highways and other federal roads.

While White House officials say the administration does not support a VMT, the idea was brought up in February 2009 when Congress was working on a reauthorization of the transportation bill.

LaHood weighs in

At that time, U.S. Transportation Secretary Ray LaHood mentioned a VMT as an alternative way to fund transportation projects. LaHood said there isn't enough fuel-tax revenue coming into the federal Highway Trust Fund to meet the nation's surface transportation and infrastructure needs. Nor do fuel taxes generate enough money to keep the fund solvent as vehicles become more fuel-efficient and use less gas.

Such a proposal might require motorists to install on-board devices tracking how much they drive so that a tax could be calculated accurately, raising privacy concerns. Drivers in rural areas and remote suburbs, who travel long distances to their jobs, would face much higher costs under a tax-by-the-mile program, as would drivers of electric or hybrid vehicles who would pay the same as drivers of less fuel-efficient vehicles.

Critics of VMT also note that boosting the cost of driving might push more commuters into public transit — a goal of the administration and advocates of a "smart growth" urban planning agenda.

And yet the VMT concept has support from some free-marketeers. They say such a charge — if it replaced fuel taxes — would be a more transparent way to raise money for highway projects.

Motorists would know exactly how much they're paying to drive, making the tax a user fee. They also might be more likely to protest if lawmakers continued to divert drivers' taxes to mass transit or for other purposes not related to roads.

An undated draft of a bill titled the "Transportation Opportunities Act" has circulated in the U.S. Department of Transportation and the Office



U.S. Transportation Secretary Ray LaHood's spokesmen say he's not pushing a vehicle-mileage tax, but his reference to such a tax publicly, as well as the DOT's emphasis on buses, trains, bicycles, and "livable communities" on its website (above) has not helped quell the belief that such a tax is in the works.

of Management and Budget. The draft was obtained in early May by *Transportation Weekly* and reported in *The Hill* newspaper.

The Hill said DOT officials would not confirm the draft is their work. And in an email to *Carolina Journal*, DOT spokeswoman Olivia Alair said, "The Obama administration does not support a vehicle mileage tax, or VMT."

The bill would create a Surface Transportation Revenue Alternatives Office to authorize, within one year of the bill's enactment, a study framework for a mileage-based user fee system, including vehicles using fuels that are not taxable under the 1986 IRS code.

Field trials

The bill also provides for field trials to test a VMT system and the creation of a public relations campaign to sell the public on the need for alternative funding sources for surface transportation programs.

The draft proposes the creation of a new, broader Transportation Trust Fund to replace the current Highway Trust Fund. A number of new accounts would be established, including the Mass Transit Account and a Passenger Rail Account. One funding source mentioned is a "new energy tax," though it was not defined. The dollar amounts authorized in the draft bill correspond to those in DOT's fiscal year 2012 budget request.

VMT critics say the government doesn't need alternative financing sources if it would use the funds it now collects for highway projects, rather than unrelated programs.

"It's unnecessary to impose a VMT if officials would stop diverting funds to nonhighway projects, like bike paths, pedestrian walkways, and high-speed rail," said Curtis Dubay, senior tax policy analyst for The Heritage Foundation. "Only 62 cents of ev-

ery dollar going to the Highway Trust Fund is used for road projects," Dubay said.

But Adrian Moore, vice president of the libertarian Reason Foundation, told *CJ* that a VMT would be "more transparent and fairer" for consumers than the gas tax, which is a hidden charge because most consumers have no idea how much tax they're paying. "Under a VMT, all drivers would pay the same cost per mile to use the same stretch of road," Moore said.

"With a VMT, drivers would be making a direct payment to use the roadways, and they would be more likely to hold lawmakers accountable for how the funds are being spent when roads aren't being built or they are poorly maintained," Moore added.

U.S. Rep. Howard Coble, R-6th District, serves on the House Transportation and Infrastructure Committee. Coble's press secretary, Ed McDonald, told *CJ* that Coble's office does not yet have a draft of the surface transportation bill.

CJ's calls to the U.S. Senate Environment and Public Works Committee and the Committee on Commerce, Science, and Transportation to learn more about proposed legislation were unsuccessful.

Cost of a VMT

While some worry about privacy concerns raised by having devices in automobiles to track and report driver movements, others point to the high cost of implementing such a program and the disproportionate economic hardship on low-income and rural drivers.

The Minnesota Department of Transportation conducted a mileage-based public opinion study in August 2007. Participants expressed concern that such a system would be like "Big Brother," enabling the government to track and watch drivers.

In 2008, Oregon, Minnesota, North Carolina, and three other states were part of a two-year, federally funded study conducted by the University of Iowa Public Policy Center to pilot a VMT system. One goal was to test how the public would respond to the new mileage-based road user charge system.

A November 2010 report from the I-95 Corridor Coalition examining VMT issues said the federal government would experience major challenges and costs in setting up VMT-based charges.

The new structure would have to account for changes in vehicle ownership, methods of enrollment, number of accounts, and whether enrollment would rely on state vehicle registration files. The study group estimates that additional vehicle registration costs — above what states now charge drivers — would range between \$15 and \$24 per vehicle.

The I-95 coalition based its mileage cost estimates on the Dutch system, which ranges from \$3.73 to \$20.36 per vehicle per year, or \$0.42 to \$1.87 per 1,000 vehicle miles traveled.

Nor is it clear whether these alternative financing programs would replace the gas tax or be imposed alongside it, though some studies have mentioned these alternatives as an addition to existing fuel taxes.

Dubay told *CJ* that the VMT could discourage driving and achieve other administration policy goals, such as boosting public transit.

Language in the draft bill referring to "livable communities" and the proposed Federal Surface Transportation Policy and Planning Act of 2011 makes it clear that the administration wants to increase overall use of public transportation and reduce transportation-related carbon dioxide levels and use alternative financing to advance those objectives. *CJ*

Teacher Makes Student Lobby Against Her Legislator Dad

By DAVID N. BASS
Associate Editor

RALEIGH

Freshman Republican lawmaker Mike Stone says his daughter was “used against” him when a public school teacher instructed her and her classmates to contact elected officials in opposition to budget cuts.

The result: a handwritten note imploring Stone to “put the budget higher dad” so that her school wouldn’t have to forgo field trips, be unprepared for end-of-grade tests, and lay off teachers.

“The truth of the matter is, they baited my daughter on what to write,” said Stone, who represents Lee County in the North Carolina House. “It was totally inappropriate for an 8-year-old to be used as a lobbyist in Raleigh.”

The Republican-controlled General Assembly passed a \$19.5 billion budget in June that restores some funding to public schools, including preserving teacher assistant jobs. Democrats have blasted the spending plan for its cuts, and Democratic Gov. Bev Perdue vetoed it in mid-June, largely due to cuts to education that she said were unacceptable. (The General Assembly enacted the budget after the House and Senate were able to override the veto.)

School officials defend

Lee County superintendent Jeffrey Moss said that the writing assignment at Tramway Elementary was appropriate and only directed students to write their state representative, senator, and the governor “in support of public education.”

“It was not budget-specific except to say that they support funding public education. That was the theme,” Moss said.

Moss added that the assignment was given prior to the budget being passed. The exercise “encompasses a lot of skills that today’s graduates should be able to replicate in the work force, according to the employers I’ve talked with,” Moss said.

Moss found himself the subject of harsh criticism in the days after the episode when Dallas Woodhouse, president of the state chapter of Americans for Prosperity, called for Moss to resign.

“A school system should not be run by an authoritarian and arrogant administrator that has clearly shown that using teachers and students as pawns is an acceptable practice,” Woodhouse said. “It is the responsibility of the Lee County school board to make sure that this conduct ends now.

The board should request Moss’ resignation, and if it is not forthcoming, he should be terminated for cause.”

A week after *Carolina Journal* broke the story, the Lee County Board of Education voted to extend Moss’ contract an additional year — from 2014 to 2015. That’s led to criticism.

“It’s smelly all the way around,” said Linda Shook, chairwoman of the Lee County Board of Commissioners.

A copy of the contract obtained by *CJ* shows that Moss earns a salary of \$162,412, plus a \$1,000 per month car allowance, a \$1,200 per month housing allowance, and \$18,000 in deferred compensation deposited into an interest-bearing account.

Dueling board members

At least two members of the Lee County Board of Education disagree about the writing assignment. In a press conference, school board chairman Shawn Williams said that students’ letters never were actually sent to government officials. Instead, their teacher “drafted a collective letter” and sent it through email. The exercise didn’t violate school policy, he said.

“Students’ names were not mentioned in the emails,” Williams said. “The actual student letters were never mailed or sent electronically to anyone.”

Asked if it was fair that Stone’s daughter was included in the assignment, Williams replied, “It was part of the lesson.”

Shortly before the press conference, school board member Cameron Sharpe issued a press release calling the assignment an “irresponsible abuse of power within our schools” and distanced himself from remarks by Williams and Moss.

“It seems clear that Dr. Moss fails to recognize that his is not a political position and that he, by engaging in political posturing, has violated the trust of [the] school board, the constituents, and the children of this district,” Sharpe said.

Stone still upset

Stone isn’t satisfied with school officials’ explanation. He said he’s concerned that his daughter will get bullied because the school system already has handed out pink slips to some teacher assistants.

“I don’t care whether you like the budget or not,” he said. “I haven’t talked to one person who condones using an 8-year-old, and especially a legislator’s 8-year-old daughter.” *CJ*



COMMENTARY

What Is A Diploma Worth?

Just weeks ago, students across the country packed auditoriums, arenas, and convention centers celebrating K-12 education’s hal- lowed rite of passage: high school graduation. Nationwide, high schools conferred some 3 million diplomas on proud members of the Class of 2011.

This achievement is something to cheer. Nationally, the graduation rate is rising and hovers around 72 percent, according to new numbers from the Editorial Projects in Education Research Center. North Carolina’s graduation rate of 74 percent is higher still.

As more students don cap and gown, what is the value of the diplomas they hold? Are graduates prepared for the modern marketplace or the hallways of higher education?

While earning a high school diploma is important, it does not guarantee a baseline level of knowledge and competencies.

Tests evaluating math and reading achievement among public and private high school seniors show most lag behind in both subjects. On the most recent National Assessment of Educational Progress, just 38 percent of 12th-graders read proficiently; one-fourth were proficient in math.

Employers must address a yawning knowledge and skills gap among new workers. Deficiencies in reading, writing, and math competencies among high school graduates entering the work force in recent years are well-documented and widespread. This is worrisome since new graduates must joust for jobs in what the Economic Policy Institute has labeled “a dire labor market without a safety net”: High school graduates under age 25 (not in school) now face a sky-high unemployment rate that exceeds 22 percent.

What about students who opt for higher education? Almost 70 percent of the Class of 2010 enrolled in colleges and universities last fall, according to the Bureau of Labor Statistics.

While many freshmen arrive on campus ready for challenging post-secondary course work, quite

a few do not. Federal education data show more than one-third of first-year undergraduates in 2007-08 enrolled in a remedial class — covering material they should have learned in high school. At two-year community colleges, 42 percent of first-year students needed remedial instruction.

Too many high schools are dropping the ball. Many kids today work harder outside the classroom than ever before. It isn’t unusual for high-schoolers to be saddled with four or five hours of homework each night. Yet this practice

contradicts common-sense research showing that moderate homework may be beneficial, but assigning too much of it backfires and burns kids out.

Instead of drowning kids in homework, we need to work smarter. That involves a lot of things, but the main one should be a focus on rich, core academic content in school. Even in the digital

age, kids should know how to read, write, and do math well. And they need to retain these skills through habit and practice. Of course students need other skills, but there is no substitute for a solid academic foundation.

We also must ensure students master basic competencies before earning diplomas. Twenty-eight states currently (or will soon) make graduation contingent on passing high school exit exams, according to the Center on Education Policy. North Carolina is no longer one of them, having jettisoned in 2010 a state policy requiring students to earn passing scores on end-of-course exams in order to graduate.

That’s a mistake. Such a move might inflate graduation rates. But it won’t guarantee kids leave high school with the requisite knowledge and skills to transition well into college or work.

Today’s high school graduates must make their way — sooner or later — in a rapidly evolving marketplace and an unsettled economy. We need to get them ready. *CJ*



KRISTEN BLAIR

Kristen Blair is a North Carolina Education Alliance Fellow.

State Lawmakers On Mission to Conquer Obesity

Government health care used to justify lifestyle policing

BY SARA BURROWS
Associate Editor

RALEIGH

In the name of saving money on government-subsidized health care, state lawmakers are making your weight their business. They've introduced four bills this session directed at North Carolinians' waists.

One bill, if passed, would re-establish the Legislative Task Force on Childhood Obesity, which last year recommended banning whole-fat milk and juice in public and private day care centers. Another bill, ratified June 9, created a Diabetes Task Force charged with recommending strategies for reducing diabetes and associated health care costs. The Sodium Resolution, adopted in May, states that the House of Representatives "supports measures aimed at decreasing heart disease and stroke in North Carolina and encourages the State's citizens to reduce sodium in their diets."

And House Bill 503, Nutrition Standards/All Foods Sold at School, aims to push children into the "healthier" national school lunch and school breakfast programs by reducing access to "competitive" foods. The bill has passed the House, but not the Senate.

A host of Democratic and Republican lawmakers agree that government should maintain an active role in controlling kids' diets as long as government takes a major role in financing health care. Lawmakers said the best place to start fighting the obesity epidemic was with children, by feeding, educating, weighing, and measuring them in schools.

Parental rights advocates counter that what a child eats and what a child weighs is the parents' business, not the government's.

School nutrition

H.B. 503 imposes new nutrition standards on "competitive foods" sold in schools. Competitive food is defined as any food or beverage sold to students on school grounds that is not part of the federal school breakfast or school lunch program. That includes food sold in vending machines, school stores, snack bars, fundraisers (including bake sales), and other informal food sales to students on the school campus.

The bill would subject competitive foods to nutrition standards established by either the federal government's Institute of Medicine or the Alliance for a Healthier Generation, a nonprofit founded by the American



Abipartisan group of North Carolina legislators that wants to see government involved in individuals' personal eating habits find themselves allied with First Lady Michelle Obama, who is shown above teaching some Washington, D.C., schoolchildren how to enjoy broccoli. (White House photo)

Heart Association and the William J. Clinton Foundation. The guidelines set out by both groups focus on promoting the consumption of fruits, vegetables, grains, and low-fat and fat-free dairy, along with reducing the consumption of fat, sugar, sodium, and calories.

Food in the national school lunch program is not required to meet these standards.

The Alliance for a Healthier Generation's website has a link to "companies committed to providing healthier food" in schools. The companies include PepsiCo, whose Baked Cheetos, Cap'n Crunch Peanut Butter Crunch Cereal, and Quaker Breakfast Cookies meet the organization's nutritional guidelines, and Kraft, whose Oreo Thin Crisps, Sugar Free Jell-O, and Premium Saltine Crackers also make the cut.

The Institute for Medicine states that "federally reimbursable school nutrition programs should be the main source of nutrition in schools" and that "opportunities for competitive foods should be limited."

When asked whether tackling childhood obesity was the proper role of government, bill sponsor Rep. Verla Insko, D-Orange, said:

"The children of today will be our future soldiers, law enforcement, and other public safety officers, and our future Medicaid and Medicare patients."

Republican co-sponsor Rep. Stephen LaRoque, R-Lenoir, agreed: "As long as government's going to subsidize health care, yes, it is."

LaRoque said studies show limiting access to low-nutrient competitive foods lowers a student's body mass index.

"We're also going to track them," LaRoque said. "We're going to take their BMI and track them per grade as they grow up, so we'll be able to tell if what we're doing has any effect."

Childhood obesity

Sen. Larry Brown, R-Forsyth, sponsor of the bill to renew the task force on childhood obesity, spoke with *Carolina Journal* last year about why the government needed to dictate school and day care menus.

"Evidently, parents just don't have the time or the desire to give them nutritious meals at home, and, therefore, when they do get fed, we want them to be fed nutritious meals, and also to make them more active," Brown said.

He went on to say parents are "not doing their job," and that, by feeding them fast food, "they're killing their children and not even realizing it."

Regarding last year's proposal

to ban whole milk and juice in private day care facilities, Brown said this:

"I don't like to see the government step in and do anything to take away citizens' rights to make their own mistakes – I don't like that aspect of it – but at certain times if the parent is not going to do it, the government might ought to give a little oversight. If we're going to pay the expense of it, we should have some role in dictating the nutritional value."

Mother knows best

Michael Ramey, director of communications and research at ParentalRights.org, said no one is better equipped to make decisions about a child's diet than the child's parents.

"Parents know and love that child more than all the bureaucrats and lawmakers put together," Ramey said. And parents also know the specific dietary needs of their children, he said. Not all children are alike, and not all parents agree on what types of food are the healthiest.

Parents should be allowed to choose whether they'll participate in official school and day care nutrition programs, Ramey said, without restricting competing nutrition programs. "That would allow the schools to take an active role in promoting health for those families who ask for their assistance, while leaving the ultimate decision over what a child eats with the fit parent, where it belongs."

He admits that "unfit" parents do exist, but says they are the minority.

"To say the state should take charge in every case because some few parents will neglect their children 'is repugnant to American tradition,'" Ramey added. *CJ*

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School Reform Scores Solid Gains in 2011 General Assembly

By KAREN WELSH
Contributor

RALEIGH

Three educational measures in the General Assembly, initially called a part of an “extremist agenda” by opponents, ended up gaining significant support from both Republicans and Democrats and becoming law.

Senate Bill 8, House Bill 344, and House Bill 48 proved to be a trifecta for parents seeking additional choices for the education of their children. The first measure ended the statewide cap on public charter schools, set at 100 for more than a decade. The second provides tax credits to parents of children with disabilities who are not being served by their current public school. The final one would end four end-of-course standardized tests for students that are not mandated by federal law.

Terry Stoops, director of education studies at the John Locke Foundation, said a lot of positive results came from the legislative session.

“Some of it was surprising,” he said. “Even with the prediction that these laws would bring on Armageddon, it was a good session. I feel each side got what they wanted. The laws lay a good foundation, some of which we’ve needed to do for years. It was a good start. It’s a blow to the status quo, and parents have emerged the winners.”

Darrell Allison, president of Parents for Educational Freedom in North Carolina, a grass-roots coalition committed to educational reform throughout the state, said the session was a success for those committed to excellence in education.

“There’s been strong leadership this year and it’s been a good paradigm shift on moving education for-



More students like these at Sugar Creek Charter School in Charlotte will have the opportunity to attend charter schools now that the statewide 100-school cap has been eliminated. (CJ file photo)

ward into the 21st century,” he said. “We couldn’t be happier.”

Allison said PEFNC’s 60,000 supporters have led the charge in aggressively chipping away at ineffective education laws.

One of PEFNC’s priorities was S.B. 8, the legislation designed to completely lift the public charter school cap.

The bill started out in a flurry of controversy. House Minority Leader Joe Hackney, D-Orange, labeled it as a measure of the “extreme right-wing agenda.” He, along with other Democratic opponents, said the bill would damage traditional public schools by

siphoning millions of dollars in funds for education, nutrition programs, and transportation.

After going through a series of alterations and revisions, the bill finally passed 45-0 in the Senate and 104-5 in the House. Gov. Bev Perdue signed it into law in June.

Another PEFNC-backed bill that received overwhelming bipartisan support was H.B. 344, Tax Credits for Children with Disabilities. The bill allows special-needs students in the public education system to receive tax credits for education if they are not being properly served in their school. Parents can use the credit — as much as \$3,000 per semester or \$6,000 per year — to offset the costs of tuition at either a private school or at a public school that charges tuition.

The bill also provides a trust fund of money to shore up special education programs at public schools where students choose to stay.

“It’s huge,” Allison said. “As an organization, we’ve been working on this for four years. We have now laid the groundwork to see all schools meet the needs of special-needs students.”

Although the bill passed 94-20 in the House and 44-5 in the Senate, the American Civil Liberties Union of North Carolina claimed the new law would place the state on a “slippery slope.”

In a statement, ACLU-NC said: “By creating an outlet by which students with disabilities may leave the public schools rather than finding a way to encourage public schools to provide a sound basic education to all students, H.B. 344 sets up a precedent for simply allowing certain defined classes of underserved students to flee the public school system if they can af-

ford to do so.”

Julia Adams, assistant director of government relations for the ARC of North Carolina, a nonprofit that advocates for people with developmental disabilities, said the ARC has supported this “hotly debated topic” for years.

“This is a big bill for North Carolina,” she said. “It’s very tightly drawn, and I was very impressed with the bipartisan support. It’s a positive piece of legislation that will help developmental, intellectual, blind, and hearing-impaired children in the state. We believe it’s a very fair and balanced bill that allows parents better options to better serve their students.”

Another bill winning bipartisan support was H.B. 48, which would do away with some standardized tests in courses including history, science, economics, and mathematics.

Early on, Wake County Superior Court Judge Howard Manning had warned legislators about the legal ramifications of the potential new law. Manning oversees the *Leandro* court decision, ensuring that North Carolina school districts live up to the state constitution’s guarantee of a “sound, basic education” for all students.

Manning’s warning did not deter Rep. Bryan Holloway, R-Stokes, from sponsoring the bill with the hope that the state could eliminate unnecessary or ineffective testing.

“I was a history teacher for four years and saw, firsthand, how we are taking all creativity out of the classroom,” he said. “We are making robots out of the kids.”

Holloway said the state could do much better for children, and that parents and 95 percent of teachers statewide agreed.

“State-mandated testing is not a part of a sound and basic education for children,” he said. “Testing does quite the opposite.”

Perdue allowed the bill to pass, unsigned, into law.

“Personally, I believe the tests now used in school systems are due for change,” Perdue said. “I’ve talked to many teachers, and heard from education leaders across the state. It’s clear that current testing does not accomplish our shared goal of excellent teachers in every classroom and the best schools for our children in every community.”

Perdue said she does not support eliminating all tests from the school system. Instead, she encouraged leaders in the state to develop a process for identifying areas in testing that need improvement.

Stoops said it is his hope that leaders will replace the repealed standardized testing with high-quality measurements that will allow North Carolina educators to compare our results with those of students across the nation.

Locke, Jefferson and the Justices:

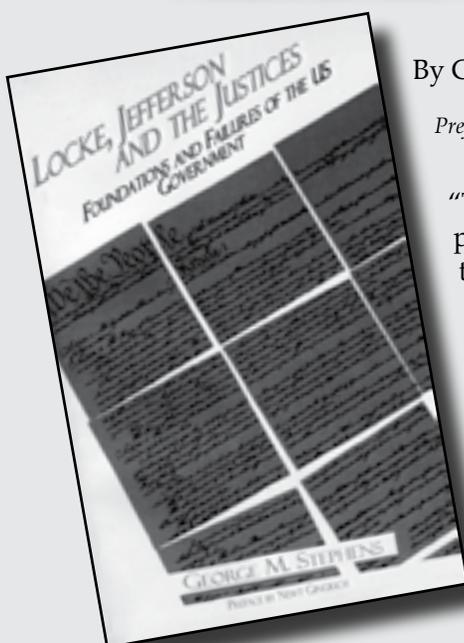
Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

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

Newt Gingrich
Former Speaker
U.S. House
of Representatives



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Town and County

Rental inspection limits

The General Assembly has passed legislation imposing limits on rental unit inspection programs run by municipalities. Though most cities' programs will face minor changes, a key element of Greensboro's inspection program will have to be dropped, reports the *Greensboro News & Record*.

Greensboro's program is unusual in that it subjects properties to random inspections even if no complaint about their habitability has been filed. Every year, the city inspects about 2 percent of rental properties to check compliance with all housing code items.

Republican legislators see random inspections as a property rights issue. "If it's an issue where they [cities] are violating someone's Fourth Amendment rights [against unreasonable search and seizure], then, yes, they're going to have a problem with it," said Rep. Mike Hager, R-Rutherford.

Proponents of random inspections contend that they help catch safety issues early.

Inspection programs can continue to require inspections if there's reason to suspect a property may have problems.

Taxes, tags to be linked

Local governments have had trouble collecting the property taxes due on motor vehicles. Things may get easier in 2013, when property tax payments will be required to renew automobile registration, reports the *Winston-Salem Journal*.

Under the current system, counties send tax bills three months after vehicle owners renew their registrations. Only about 65 percent pay their property taxes on time.

"What generally happens is that we send out a past-due notice, and that brings our collections up another 10 percent or so to 75 percent," said Forsyth County Tax Assessor Pete Rodda. "Then we start the usual enforcement things — attaching bank accounts, garnishments ... referring them to the credit bureau."

Counties have the option of blocking the vehicle's registration for the following year, but that's not always effective.

The state passed a law several years ago requiring vehicle owners to pay property tax for the current year before they could update their license plates. Software problems and a lack of funding have pushed back implementation to 2013. CJ

JLF Guide: Stick to Core Gov't Functions

BY CJ STAFF

RALEIGH

Local governments will serve their communities best by focusing on core government functions, limiting spending and taxation, and protecting private property from unnecessary government intrusion. Those are key principles driving recommendations in the John Locke Foundation's new *City and County Issue Guide 2011*.

The new guide arrived as local governments prepared for the new budget year that started July 1. Candidates also are preparing to run for municipal offices across North Carolina.

"This guide covers topics ranging from taxes to transit, from smart growth to stadiums, from education to eminent domain," said Michael Sanera, JLF director of research and local government studies. "The common thread in the recommendations for each of these topics is freedom. By increasing individual freedom, local governments can foster the prosperity of all North Carolinians and keep open avenues to innovative solutions from enterprising citizens."

The 40-page guide addresses 18 of the most important topics local governments must address. It tackles services local governments provide, steps those governments take to fund their services, and government policies that restrict land use and property rights. Sanera and the JLF research staff analyze key challenges linked to each topic.

For example, one section calls for local governments to follow four principles when developing land-use policies.

"First, modern land use must be based on simple rules that allow individuals to pursue their own plans for using their land," Sanera said. "Second, decisions should be depoliticized. Third, local governments should avoid impact fees and adequate public facilities ordinances, which create, rather than solve, growth-related problems. Fourth, land-use policies should re-establish the rule of law."

The issue guide also recommends that local government turn to voters before deciding to take on additional debt. "Local governments should put all debt to a referendum vote concurrent with a general election or primary election," said Joseph Coletti, JLF director of health and fiscal policy studies. "Before that vote, governments should report the full financing costs and expected repayment plan. Local budgets and financial reports should include a full ac-

counting of debt."

Another section warns local governments against targeting businesses for special subsidies. "Targeted tax breaks, cash grants, and other special deals for government-selected businesses burden other local businesses and citizens with the cost of those subsidies," said Roy Cordato, vice president for research and resident scholar.

"Local governments should focus instead on making their communities conducive to economic growth and business investment by keeping property taxes, sales taxes, and business regulations and fees low," Cordato added. "They should avoid implementing new taxes, and they should focus on essential government services — such as providing

reliable sources of water and transportation — that accommodate the work force's desired lifestyles and industry's needs."

Five simple rules should limit local governments' use of eminent domain powers to take property away from private owners, according to the *Issue Guide*.

"Make sure no alternatives exist," said Daren Bakst, director of legal and regulatory studies. "Negotiate in good faith. If a government plans to take property, take it for a 'public use' only. Do not take property directly or indirectly for economic development. Avoid economic development takings because they actually hurt economic development."

Several key principles also can help county governments make better decisions about funding school-related programs. "Local government appropriations to school districts should be tied to performance-based measures and innovative practices that ensure sound expenditure of local tax dol-

lars," said Terry Stoops, director of education studies.

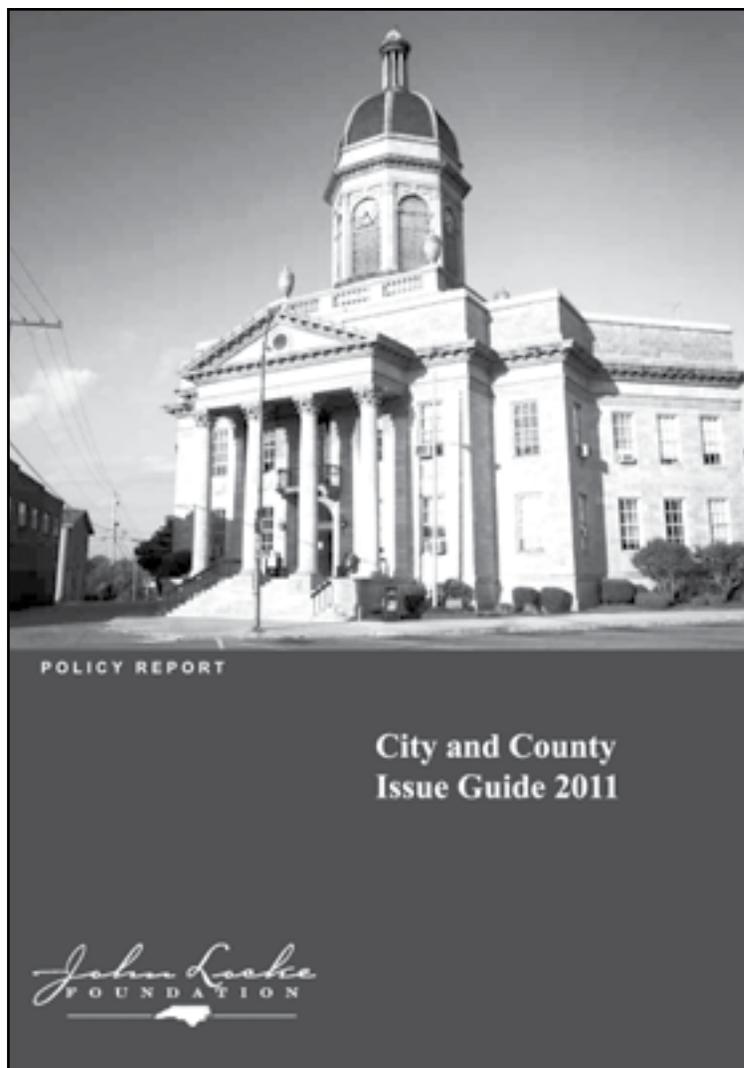
"Local governments should monitor school appropriations closely and measure the effectiveness of the funding,"

Stoops added. "Local governments should pay special attention to spending on school district personnel. The school budget process should be as transparent as possible. Plus, local governments should minimize the amount of debt incurred for school capital

expenses."

The *City and County Issue Guide* complements JLF's annual *By the Numbers* report, which ranks cities and counties based on the costs of running local government.

"Voters and taxpayers can use the *Issue Guide* as a resource when they question local government costs," Sanera said. "Elected leaders can use the *Guide* to find savings. By following the *Guide's* recommendations, local governments can limit the unnecessary growth that encroaches on freedom and digs deeper into taxpayers' wallets year after year." CJ



To get a PDF copy of
City and County Issue Guide 2011,
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Court: Dam Owners Should Get Compensation for Diversions

By MICHAEL LOWREY
Associate Editor

RALEIGH

In an April decision, the state's second-highest court affirmed a lower court ruling that the Randleman Reservoir hurts small private hydroelectric dam operators on the Deep River and the public water authority is liable for damages. The fact that the water authority held state and federal permits to build the dam in no way minimized the need to compensate the affected dam owners.

Aiming to secure a water supply for the next 50 years or more, Randolph County, Greensboro, High Point, Jamestown, Archdale, and Randleman formed the Piedmont Triad Regional Water Authority. In 1988, PTRWA asked

the N.C. Environmental Management Commission for permission to use eminent domain to divert water from the Deep River basin to construct Randleman Lake. In February 1992, EMC granted PTRWA authority to transfer up to 30.5 million gallons a day from the Deep River Basin to the Haw and Yadkin River basins. It also gave the water authority permission to acquire land for the project by eminent domain.

In April 2001, the U.S. Department of the Army issued the section 404 permit required under federal law for the construction of a dam in navigable waters. Construction of the Randleman Dam started soon after that.

In May 2008, the owners of five small hydroelectric dams located on the Deep River sued PTRWA seeking compensation for the loss in revenues resulting from the lowered water levels. After a Superior Court judge ruled in favor of the dam owners, PTRWA sought review before the Court of Appeals.

At issue was how state statute and case law handled "riparian rights," vested property rights arising from the ownership of land that is bounded or traversed by navigable water. PTRWA argued that the dam owners do not have a property interest in the flow of the Deep River and reductions in its flow are not a compensable taking under state law.

The Court of Appeals noted, however, that in a 1980 case, *Board of Transportation v. Warehouse Corp.*, the

N.C. Supreme Court held that the reasonable-use doctrine does not apply in condemnation proceedings.

The water authority also claimed that the state's water impound statutes and its EMC permit gave it a "superior" right to those of riparian right holders to withdraw excess water from the Deep River; the authority said it was required to compensate riparian owners only if it took more than the 30.5 million gallons per day from the river than its EMC certificate allows.

The Court of Appeals rejected this argument.



"Clearly, the impoundment statutes and the EMC certificate authorized defendant to exercise its power of eminent domain by diverting the water flow in the Deep River in order to develop a public

water supply," wrote Judge Douglas McCullough for the appeals court.

"The exercise of eminent domain in itself is a superior right over any private landowner. However, just because defendant is authorized to exercise its powers of eminent domain, it does not follow that defendant is relieved of the constitutional mandate to compensate those whose property is taken."

PTRWA also argued that the Deep River dam owners should not receive compensation because they had not opposed the issuance of the permits needed to create the Randleman Reservoir. State law in general requires plaintiffs to exhaust administrative remedies before going to court.

The Court of Appeals was not persuaded.

"Plaintiffs are not required to intervene in defendant's applications for the EMC certificate or 404 permit because they are not challenging defendant's right to divert water from the Deep River or construct the Randleman Dam, but are asking to be compensated as a result of the reduction of water flow," wrote McCullough.

The appeals court also noted that even if the dam owners had intervened in the permitting process, neither the EMC nor the Department of the Army has the authority to award compensation for PTRWA's taking.

The exact amount of compensation will be determined in a future court hearing.

The case is *L&S Water Power v. Piedmont Triad Regional Water Authority* (10-1063-1). CJ

COMMENTARY

Broadband Law Removes Taxpayer Risk

In May, the General Assembly passed legislation limiting the ability of cities and towns to offer broadband service. Towns wishing to offer broadband now must get voter approval before borrowing money to finance a system, would pay the same taxes as private broadband providers, and couldn't cross-subsidize broadband service. It's an important and entirely appropriate move that protects citizens from the risks of government-run businesses gone bad.

Cities were allowed into the broadband game in 2005, when the N.C. Court of Appeals allowed municipalities to offer broadband services to residents. Since then, five have gotten into the broadband business: Wilson, Salisbury, Mooresville, Davidson, and Morganton.

Advocates claim that more public systems are needed to compete with traditional Internet service providers such as Time Warner Cable in the delivery of ultra-high-speed Internet aimed primarily at business customers. These same proponents also think that many critical rules that traditional ISPs labor under shouldn't apply to municipal broadband systems.

Make no mistake, when a municipality decides to offer broadband services, it is taking on significant risks. There's no guarantee that any of these systems will be a roaring success, or even cover their costs. To date, the state's municipal broadband systems have borrowed more than \$140 million — about \$1,000 per resident — without explicit voter approval to construct their broadband systems.

Our nation's legal system provides a solution when businesses make bad decisions and/or get unlucky. It's called bankruptcy. Indeed, Davidson and Mooresville got into the broadband business by buying up the local cable system, which had gone bankrupt.

While local governments can in theory declare bankruptcy, it has not been allowed to happen very often. Instead, taxes get raised or services get cut to cover the losses of a failing government-run enterprise. Municipalities also run to state government looking for a bailout.

"They're going to own a cable

system that may become obsolete, and they're going to say to us [legislators] 'Please save us,'" said then-Sen. David Hoyle, D-Gaston, last year in arguing for legislation similar to what the General Assembly just adopted.

City government types, of course, cannot imagine that they would make mistakes in running a broadband system. But then again, they also are planners and regulators by trade, tasks that presume

that government officials are all-knowing and all-wise.

Concerns about government-run utilities making missteps are not just theoretical. North Carolina has had a very bad experience with municipalities playing around in the utility business. In the 1970s, 50 municipalities — including High Point, Gastonia, Monroe, Statesville,

Greenville, Rocky Mount, and Wilson — decided to get back into the electric power business. These cities and towns formed two groups — North Carolina Eastern Municipal Power Agency and North Carolina Municipal Power Agency Number One — to buy part interests in nuclear power plants that Duke Energy and Carolina Power & Light (now Progress Energy) were building at the time.

The move didn't turn out well for the municipalities involved. They overestimated the demand for electricity while buying into what turned out to be Duke and CP&L's highest-cost power plants.

Making matters worse, the entities that the cities formed chose in the 1980s to keep rates artificially low initially while racking up large debts that would have to be repaid in the future. Today's electric rates in NCEMPA and NCMPA1 member municipalities are substantially higher than in surrounding areas. These higher rates often are described as a major economic development problem for the affected communities.

The good news is, the General Assembly's recent action could prevent a repeat involving municipalities getting into the broadband business. CJ

Michael Lowrey is an associate editor of Carolina Journal.



MICHAEL LOWREY

From the Newsstands

A Perry Message?

Philip Klein writes for the *Washington Examiner* that a Texas Gov. Rick Perry presidential bid would send a message to Washington about respecting state governments' proper role:

Perry would surely emphasize Texas' strong economic performance relative to the rest of the nation in a presidential run, drawing a stark contrast between his policies and President Obama's. But he would also focus on restoring a proper balance of power between Washington and the states.

"The framers of our constitution knew all too well what happens when distant, too powerful governments hold sway over a nation," Perry declared during his [Republican Leadership Conference] speech. "That's why they decentralized power out of Washington, D.C., into the hands of the states."

He later added, "Our goal is to displace the entrenched powers in Washington and to restore the rightful balance between state and federal government." ...

... With Obama claiming unprecedented federal powers (such as the idea that Washington can force all Americans to purchase government-approved health insurance), the time is ripe for the national conversation about federalism that a Perry candidacy would likely provoke.

Kathleen Parker's latest *Newsweek* contribution makes the case for former Utah Gov. Jon Huntsman's presidential bid.

There must be something to the formula. Huntsman had a whopping 90 percent approval rating from Utah voters when he left the governorship in 2009 to become ambassador to China. As governor, he accomplished at the state level many of the policies he hopes to bring to the White House, chiefly a flat tax and other reforms to stimulate business. In Utah, industries such as renewable energy and mining received about \$30 million in tax credits. Huntsman also oversaw health-care reform that expanded insurance coverage to children, an "entitlement" that some Republicans have criticized. [Republican consultant Fred] Davis describes it as "Obamacare and Romneycare done

right." Huntsman plans to defend his record as quintessentially conservative, including measures to protect the environment that included support of cap and trade. Contrary to charges that he has flip-flopped—that ever-handy label usually applied by the nonthinking to the thinking—Huntsman now says that economic changes mean that other priorities, such as job creation, come first.

Cap and trade? Targeted tax breaks for government-selected economic winners? Increased government involvement in the health care sector? Does he believe "quintessentially" is a synonym for "phony"? —

Some of former President Bill Clinton's big ideas for putting people back to work are a little dubious, but at least one of the ideas listed in a *Newsweek* cover story makes sense: Cut the corporate tax rate.

It's true that our corporate rates are the second-highest in the world. But it's also true that what our corporations actually pay is nowhere near the second-highest percentage of their real income in the world. So I'd be perfectly fine with lowering the corporate tax rates, simplifying the tax code, and saving some money on accountants, but broadening the tax base so that all of them pay a reasonable amount of tax on their profits. That's what the Bowles-Simpson commission recommended, and it's the right policy. Lower the rates to be competitive, but reduce the loopholes that cause unfair disparities. We all need to contribute something to help meet our shared challenges and responsibilities, including solving the debt problem.

Here's an excerpt from a *Bloomberg Businessweek* conversation with investor Jim Rogers:

What do you want President Obama to do right now?: Resign.

Well, that's not going to happen. Seriously: What he should do is take an ax — no, not an ax — take a chain saw to spending in the U.S. We have got to balance the budget. We have got to pay off the debt, somehow, someday.

— MITCH KOKAI CJ



Monthly Billing Plan Could Save Durham Money and Water

By MICHAEL LOWREY
Associate Editor

RALEIGH

The city of Durham currently sends residents a water bill every other month. That could change, if a proposal to go to monthly billing is approved by Durham City Council, reports the *Durham Herald-Sun*.

Most other water systems and most other utilities in general bill on a monthly basis. Durham Water Management Director Don Greeley argues it's time for the city to adopt monthly billing, too.

"We actually think it's going to save us money," Greeley told the council.

That seems counterintuitive to Councilman Eugene Brown and Mayor Bill Bell, as the city would have to spend an extra \$250,000 to mail statements on a monthly basis.

Greeley argues that monthly billing is a best practice, allowing the city to identify delinquent accounts sooner. Currently, a resident could be nearly four months behind in payments before running the risk of having service cut off.

Unpaid water bills add up for the city: As of May 1, Durham had \$716,190 in accounts that were between six months and a year past due, or an average of \$119,365 per month. Greeley estimates that monthly billing could reduce monthly delinquencies by 26 percent by starting the collection process earlier and limit its losses by cutting off service sooner. Savings of that magnitude would more than offset the higher postage costs.

Monthly bills also would help the city and residents detect water leaks earlier.

Asheville airport control

The city of Asheville may have little interest in overseeing day-to-day operations at Asheville Regional Airport. But it's not willing to cede ownership of the facility to an independent airport authority, reports the *Asheville Citizen-Times*.

The idea of having an independent authority completely in charge of the airport is not new. The airport currently has a seven-member board, with three members appointed by Asheville City Council, three by the Buncombe County commission, and the airport board picking the seventh member, who typically has been a Henderson County resident. Asheville City Council, as the legal owner of the airport,

must approve a wide variety of actions endorsed by the airport board, though such approval is almost always a formality.

Proposals to make the airport independent of the city passed the N.C. House in 2008 and 2011 but did not clear the Senate.

"I actually don't see this making a very profound change," said City Councilman Brownie Newman, a member of the airport board. "It's already independent in terms of how it's run."

City officials do object to the airport becoming independent without providing the city any compensation. The bill the House passed this year does not provide compensation, and federal rules may prevent payment for facilities that also have received federal money in the past.

The measure could be revisited by the Senate during next year's short session, especially if a solution can be reached on the compensation issue.

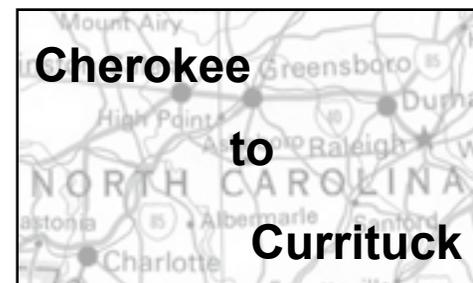
Convention center booking

Among the local government issues that the General Assembly considered this past session was who should have priority in booking space at the Wilmington Convention Center. The issue arose after a local homebuilders' group complained that it couldn't book space at the facility after the convention center had given priority to a similar national show, reports the *Wilmington Star-News*.

The Wilmington Convention Center, like many other convention centers, gives priority in bookings to events that will attract many out-of-town visitors.

The Wilmington-Cape Fear Home Builders Association originally had the right of first refusal to hold at a show at the convention center. By the time it could afford to organize the event, the convention center had booked a similar show run by a national group that had requested and received a blackout period for competing shows. The blackout period precluded the local group from holding its event.

This prompted the homebuilders association to ask Sen. Thom Goolsby, R-New Hanover, to intervene. He did and filed a bill giving local groups preference in booking events competing with those staged by outside groups that generate fewer than 500 room nights of hotel bookings. Goolsby has shelved the bill for now and stated that he will try to mediate the dispute. CJ



Triad Residents See Little Trouble PARTing With Transit Agency

BY SAM A. HIEB
Contributor

GREENSBORO

Far be it for a conservative to feel sorry for a mass transit agency. Still, anyone with a heart who takes a look at the state of the Piedmont Authority for Regional Transportation has to feel a little sympathy.

PART is facing a funding crisis of epic proportions. As a result, its future is far from certain. At the very least, routes could be reduced greatly; at the very worst, it could shut down.

"Shut it down, and let them react," PART board member and Greensboro City Councilman Robbie Perkins said during the board's June meeting. "The only way to get their attention is to hit them over the head."

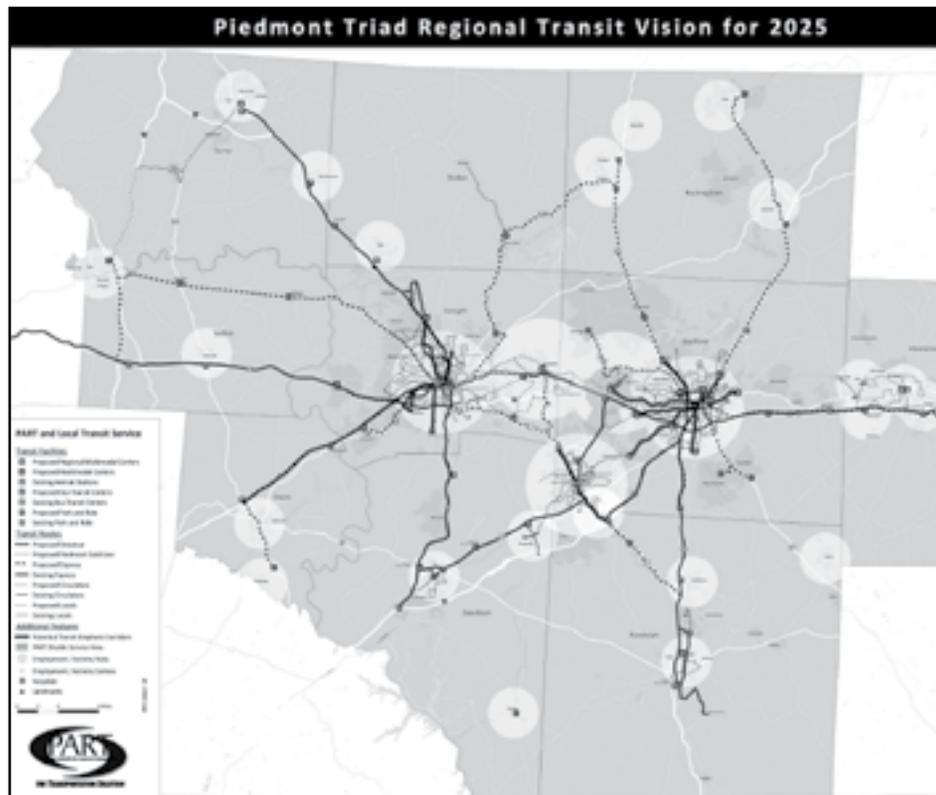
Perkins is referring to local leaders of PART's membership counties, who so far are reluctant to appropriate more funding, mostly in response to constituents, who believe they're taxed enough already. Another tax to support a service that benefits a small portion of the population would be the last straw.

Relating that sentiment, Surry County Commissioner Paul Johnson said at the May board meeting that he'd "never taken a beating like I've taken in the last three weeks over this issue."

A major chunk of PART's funding comes from a tax on rental cars, but revenue from the tax has decreased almost \$900,000 from fiscal year 2010 and is expected to decrease another \$800,000 for fiscal year 2012.

Only Randolph County provides additional revenue, with a \$1 fee on automobile registrations.

PART executive director Brent McKinney pitched a \$3 systemwide



The Piedmont Authority for Regional Transportation envisions a massive complex of routes covering the Triad and beyond by 2025. (PART map)

registration fee to help raise funds, but that idea fell flat among local governments. A \$1 fee also fell flat, and direct contributions from counties during a tough budget year appear to be out of the question.

"The problem is we don't have buy-in from local bodies," Perkins said. "I haven't heard anything but 'no.'"

PART serves 10 counties in the Triad area, the majority of which are rural counties such as Yadkin and Surry.

Revenues from the fare box increased slightly from \$610,000 in 2010 to \$630,000 in 2011. Ridership fluctuates with gas prices but increased only

slightly in 2010 after a flat 2009.

While a few routes, notably from Winston-Salem to Boone — which attracts students attending Appalachian State University — are popular, one of the strongest criticisms of PART from comments in local newspapers and blogs is commenters constantly see empty buses running down the road.

"There are empty PART buses and empty PART parking lots. I live close to a destination for PART, and I have seen buses come into the designated area, and no one gets on, and no one gets off. The bus sits there as if people are going to materialize," Greensboro resident Bob Ayers wrote

in a recent letter to the editor in the *News & Record*.

Board member Gloria Whisenhunt, who also serves on the Forsyth County Board of Commissioners, acknowledged that empty buses, combined with PART's requests for increased funding, only hurt the authority's image.

"Until my board sees that PART is cutting, I don't know if there's anything we can do to change our image," Whisenhunt said.

Indeed, PART has cut some routes and restructured others, and more cuts may be on the way depending on the funding situation.

At the June meeting, PART members also voted to raise per-trip fares from \$2 to \$2.40 and monthly passes from \$60 to \$74.50.

While that might be a start, it never would be enough to make PART self-sustaining. Adding insult to injury, PART — which receives federal funding — cannot raise fares more than 25 percent without conducting a study to ensure that a hike will not violate riders' civil rights under federal law.

Despite efforts to show that it is streamlining operations, board members still will have a tough time enhancing PART's image.

Board member and High Point Mayor Becky Smothers' concern about the cost of running ads in local media perfectly illustrates the position in which PART finds itself. Advertising is a costly, yet necessary, expense to attract more riders and increase revenue. And without the added revenue, PART possibly would no longer exist.

"Within a very short period of time, we're going to run out of money," Smothers said. "Something's got to change." CJ

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N.C. Government Jobs Proving to Be Recession-Proof

Continued from Page 1

Perdue, Democratic legislative leaders, and public employee advocates claim the General Assembly's budget would lead to thousands of layoffs in public education. The GOP "plan leads to thousands of classroom layoffs, increased class size, and will take North Carolina to near the bottom in per pupil funding nationally," said NCAE president Sheri Strickland in mid-June.

The Republican budget "fires thousands of teachers and teacher assistants and damages the ability of young people to learn and succeed," said House Democratic leader Joe Hackney, D-Orange.

Perdue's office provided Carolina Journal a comparison of public-sector job losses projected in the governor's budget and those she predicts would be eliminated by the legislature's budget. Her plan would have terminated 7,417 government jobs in the coming fiscal year, 3,646 fewer than the government job losses she projected for the General Assembly's budget. In either event, public-sector employment would continue to fare better than job reductions in the private sector.

Since the beginning of the recession — when private-sector employment statewide was 3.5 million — net job losses in the private sector reached a high of 410,700 in February 2010. As

North Carolina					
	Dec. 2007	May 2011	Change	% Change	Loss Needed to Equal Private Sector
Private sector	3,499,500	3,205,500	-294,000	-8.40	
Total Gov't	711,100	708,300	-2,800	-0.39	59,741
Fed. Gov't	64,100	69,200	+5,100	+7.96	5,385
State Gov't	199,500	193,200	-6,300	-3.16	16,760
Local Gov't	447,400	445,900	-1,500	-0.34	37,587
Local Educ	235,000	229,100	-5,900	-2.51	19,743

United States					
	Dec. 2007	May 2011	Change	% Change	Loss Needed to Equal Private Sector
Private sector	116,137,000	109,203,000	-6,934,000	-5.97	
Total Gov't	22,738,000	22,550,000	-188,000	-0.83	1,357,580
Fed. Gov't	2,757,000	2,847,000	+90,000	+3.26	164,608
State Gov't	5,242,000	5,150,000	-92,000	-1.76	312,975
Local Gov't	14,739,000	14,553,000	-186,000	-1.26	879,997
Local Educ	8,385,000	8,289,100	-95,900	-1.14	500,629

Source: Bureau of Labor Statistics, Current Employment Statistics Program, Not Seasonally Adjusted Series (all percentages rounded) Carolina Journal graphic

of May, private-sector employers have restored 116,700 net jobs, leaving private-sector employment 294,000 jobs below the levels at the start of the recession.

Total government employment essentially has remained unchanged, with 711,100 jobs in North Carolina at the beginning of the recession in 2007 and 708,300 jobs in May. Combined state and local government jobs have gone down by 7,800, or slightly more than 1 percent. Federal government jobs rose from 64,100 to 69,200, an 8

percent increase.

Measuring employment

The Bureau of Labor Statistics in the U.S. Department of Labor is the principal federal agency responsible for measuring labor market activity. Two programs supply the most commonly referenced employment numbers. One is a count of people, and the other is a count of jobs. A person counted as working actually could be working at two distinctly different jobs.

The first program, the Current

Population Survey, is a monthly household survey conducted by the Census Bureau for BLS. It provides estimates for the number of persons employed, unemployed, and those not looking for work, and also computes unemployment rates. Data is available for the United States, and each state, as well as individual counties and regional geographic areas. Monthly seasonally adjusted estimates, in which seasonal trends are smoothed for better comparison over time, are also provided for the nation and state. The seasonally adjusted May unemployment rate, the most used, was 9.1 percent for the country and 9.7 percent for North Carolina.

The second program, the Current Employment Statistics Program, also known as the establishment or payroll survey, collects data from a sample of employers. The program generates estimates for the number of jobs in each industry type, in each state and the nation. Once a year, the employment estimates are compared to actual counts from administrative records in each state's unemployment insurance program. Revisions are common and sometimes significant after the estimates are compared to actual counts.

Monthly seasonally adjusted estimates are also provided for the nation and state. The most detailed data by industry grouping is not available seasonally adjusted. CJ

Job-Creation Plans Abound, But Do Any of Them Work?

Continued from Page 1

answers to these questions could dictate the direction of taxes, regulations, and government spending — in Washington and Raleigh as well.

Federal jobs plans

In May, Rep. Eric Cantor, R-Va., the House majority leader, released "The House Republican Plan For America's Job Creators." His plan called for a review of burdensome regulations, limiting business and individual income taxes to 25 percent, and expediting pending free-trade agreements with Colombia, Panama, and South Korea. It also called for fast-tracking visas for highly skilled immigrants, shortening the Food and Drug Administration's drug approval process, maximizing domestic energy production, and reducing spending to pay down the federal debt.

Contrast this with the American Recovery and Reinvestment Act of 2009, passed by the then-Democratic Congress and championed by President Barack Obama. Also known as the stimulus package, the \$800 billion spending bill attempted to preserve

and create jobs and speed up an economic recovery. Though supporters said the stimulus bill would prevent unemployment nationally from moving above 8 percent, in fact the seasonally adjusted U.S. unemployment rate peaked at 10.1 percent in October 2009 and remained at 9.1 percent in May.

In February, Obama took a separate approach when he formed the President's Council on Jobs and Competitiveness, a 26-member committee of "distinguished citizens outside the federal government," headed by GE Chairman Jeffrey Immelt. The Jobs Council was created to "provide nonpartisan advice to the president on continuing to strengthen the nation's economy and ensure the competitiveness of the United States and on ways to create jobs, opportunity, and prosperity for the American people."

Obama came to North Carolina June 13 to participate in the second full meeting of the council. At that event, the council released an 11-point plan for creating jobs. Suggestions included graduating 10,000 more engineers, enhancing community college training programs, and improving the small business loan process. Another solu-

tion called for speeding up the permitting process for large projects. None of the solutions involved reduced government spending or lowering taxes.

Meantime, U.S. Sen. Kay Hagan, D-N.C., introduced her own jobs bill in June. "Job creation is my number one priority, and the America Works Act will connect people looking for work to employment opportunities," she said in a press release. Hagan said there is a disconnection between community college training programs and the needs of employers. Her bill would create a nationwide credentialing program in all industries to address the problem. She said eight community colleges in North Carolina have a skills credentialing system that could be a model for the nation.

Former President Bill Clinton recently released his 14-point "jobs blueprint." Clinton acknowledged that further federal stimulus spending and additional incentives targeted directly toward creating jobs were unlikely. Among his suggestions: a program to paint all black roofs white to save energy costs, government-funded on-the-job training, and teaching skills that employers need. His plan also recom-

mends cutting U.S. corporate tax rates that he said were the second-highest in the world.

Jobs debate in N.C.

Those contrasting approaches have played out in North Carolina's budget debate.

The \$19.9 billion budget proposal Gov. Bev Perdue offered in February extended three-fourths of the 1-cent sales tax increase that was set to expire at the end of June. By allowing the temporary sales tax to stay on the books, she also was able to include a cut in the state's corporate income tax rate — the highest in the Southeast — from 6.9 percent to 4.9 percent.

The GOP countered with a \$19.7 billion spending plan that let the temporary sales tax sunset and added a provision exempting from income taxes the first \$50,000 of income generated by small businesses. Republican legislative leaders said the expiration of the sales tax would return money to consumers; they would spend it and create new jobs in the private sector, offsetting any positions eliminated in

Continued as "Job-Creation," Page 15

Republicans Advance Agenda in Feisty 2011 Session

Continued from Page 1

also found himself in handcuffs after shouting from the House gallery.

Fanning the flames even more, the GOP might try to override a handful of Democratic Gov. Bev Perdue's vetoes in the coming months.

At press time Perdue had vetoed 12 bills — a record for any Tar Heel State chief executive — including the \$19.7 billion budget, which also is the only successful veto override undertaken by Republicans.

Winners and losers

In the meantime, political prognosticators in the state's capital disagree about who came out on top — the Republican majority or Perdue — in the wake of the hectic session. Much of the outcome depends on how the economy fares and how the public reacts to government cutbacks, they say.

"The budget is going to be an issue because there are a lot of independent voters who might feel that the crunch, particularly in K-12 education, is just too much," said N.C. State University political science professor Andrew Taylor.

On the other side of the coin, Republicans could win in the court of public opinion if the economy improves over the next 18 months, Taylor said.

To Democratic strategist and government watchdog Joe Sinsheimer, neither party addressed the most pressing issue at hand: jobs.

"Republicans talked lower taxes and less regulation, while Democrats stressed the importance of education at all levels, but neither party offered a specific jobs proposal or an answer for why the state's unemployment rate continues to run above the national average," Sinsheimer said.



Legislators meet in the House chamber on opening day of the 2011 session. (CJ file photo)

Gun rights

Even though budgets dominated the session, Republicans dealt with a wide spectrum of social issues, chief among them guns and abortion.

The most high-profile firearms measure, an "omnibus" gun-right bill, passed the legislature with bipartisan support. It would expand legal protections for gun owners who use deadly force in self-defense. Commonly known as the "castle doctrine," the provision applies to individuals in their homes, motor vehicles, or workplaces.

The measure also broadens the scope of the concealed-carry law, allowing gun owners to carry in state parks, at state-owned rest stops, and on hunting and fishing reservations.

Another gun-right bill — this one permitting concealed carry in restaurants that serve alcohol — passed the House but stalled in the Senate. Lawmakers expect to take it up in the 2012 short session.

Abortion

After having their attempts sty-

mied for 15 years, Republicans succeeded at shepherding through two bills aimed at reducing abortion and a third strengthening protections for unborn children in criminal law.

The Woman's Right to Know Act, the most controversial and heavily reported of the measures, would require that abortion-minded women be provided certain information at least 24 hours prior to the procedure, including an ultrasound image of the unborn child and details on medical risks.

Thirty-four states have similar laws. A fiscal note included with the bill says the law would result in about 3,000 more births each year.

Perdue vetoed the bill. It is unclear whether the GOP will be able to override the veto when the General Assembly returns in July.

On the final day of the session, the House gave final approval to an "omnibus" specialty license plate bill that includes a "choose life" license plate. Proceeds from the plate would go to pro-life crisis pregnancy centers.

A third bill, known as the Unborn Victims of Violence Act, passed earlier in the session, and Perdue signed

it into law. The new law recognizes a separate, unborn victim in the event of a violent attack on a pregnant woman.

Left on the table

Despite pledges from the new majority to foster more transparency in state government, open-records advocates had a disappointing session. One of their chief goals — passage of a "sunshine" amendment codifying North Carolina's public records law into the state constitution — got scuttled over objections from some Republicans.

Another bill, this one to expand significantly the public's access to personnel records for state and local government employees, fell by the wayside. It didn't make the legislature's self-imposed crossover deadline, the drop-dead point for nonfiscal bills to clear either the House or Senate before they can be considered during next year's short session.

Although the session smiled on pro-lifers overall, one measure got pushed aside in the waning days of the session. It would have banned counties and municipalities from including coverage for elective abortions in employee health insurance plans. The General Assembly did opt to ban such coverage for state employees.

Another pro-life bill, introduced by Republican Rep. John Blust of Guilford County, would have clarified "that any infant born alive is included in the definition of a person." It died in committee.

Foes of economic incentives were pleased when the Senate abandoned a last-minute attempt to rush through legislation that would have authorized the state to use taxpayer dollars to bankroll biotechnology startup companies. The bill passed out of committee only to die on the Senate floor. CJ

Job-Creation Plans Abound, But Do Any Have a Chance to Work?

Continued from Page 14

government agencies. They also said their small business tax cut would help more companies, since few N.C. businesses pay corporate income taxes.

Perdue vetoed the budget in June, but the General Assembly was able to override the veto.

Whose policies matter?

While a debate rages over the direction of national policy, can state-based initiatives drive job creation? North Carolina Chamber of Commerce President Lew Ebert told *Carolina Journal* he believes they can.

"When they let the temporary sales tax expire, legislative leaders sent a signal to the business community that

should have a good impact on job creation," he said. He also cited the workers' compensation reform, regulatory reform, and tort reforms as examples of legislation passed in the current session that should boost job creation.

For her part, Perdue has focused on preserving the sales-tax hike and attending ceremonies announcing plant openings and other new business starts. She recently completed a statewide "Jobs Tour" and is quick to issue a press release any time a private company announces a business expansion.

Where does Perdue think the greater leverage lies — with federal officials in Washington, D.C., or state lawmakers and administration officials in Raleigh? Perdue did not answer the question directly.

"Governor Perdue believes the best way to create new North Carolina jobs is to strengthen our strong business climate and support our high growth and small businesses," said spokeswoman Chris Mackey, in response to a query from *CJ*. "That means investing heavily in education at all levels, providing a well-trained, highly productive work force, ensuring capital and credit are available to growing businesses, knowing when to offer assistance and support and when to get out of the way. That's why she has pushed for regulatory reform and submitted a budget that reduced North Carolina's corporate tax rate to the lowest in the Southeast and provided a refundable small business tax credit."

Michael Munger, an economist and the chairman of the political sci-

ence department at Duke University, disagrees. "The employment situation in North Carolina is largely a federal problem," Munger told *CJ*. He said bad federal policies and deficit spending are the problems. "Gov. Perdue and the General Assembly are stuck with having to operate with a balanced budget," he said.

But Munger stressed that the purpose of an economy is not to create jobs.

"Jobs are a means to an end, not an end in themselves. We all want to have enough money to buy the things we need for ourselves and our families," he said. "Only private workers can create the diversity of products we depend on. Government workers, at best, support the private sector by providing roads, services, and [police] protection." CJ

Hayes: Spending Debate Will Determine Who Has '12 Upper Hand

BY CJ STAFF

Barack Obama and his fellow Democrats won big in the 2008 elections. Republicans won big in 2010. Pundits and prognosticators are trying to determine what this recent history means for 2012. Stephen Hayes, senior writer at *The Weekly Standard* and Fox News contributor, discussed the electoral picture with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: We have seen some wild politics in recent years, based on what happened in 2008 and what happened last year in the big Republican sweep. Can we tell anything about what's going to happen in 2012 at this point?

Hayes: Well, you know, I think you framed that exactly the right way. I would argue that 2008 was in some ways an anomalous election. I think that the circumstances that led to the 2008 victory for Barack Obama were the war fatigue, No. 1, and, primarily, the recession, the beginning of the recession — the near collapse of the U.S. economy. I think Obama came into that election, or to that cycle, with an advantage in the polls. Then once the bottom fell out of the economy, he glided to victory.

I think what we've seen since is the Obama administration misreading that electoral victory as a mandate for far-left policies. We saw that almost immediately with the \$814 billion stimulus package. Successively, we've seen that with health care and a number of the things he's done on the domestic side.

I think the 2010 election, then, was a reaction to that. This is still a center-right country. I think people looked at what the government was doing, saw that it was both ineffective and increasing our debt and deficits in ways that people had not previously imagined or taken account of, and that gave us the 2010 election.

Kokai: We have seen, at the state level, here in North Carolina and in other states, especially in the Midwest, and also at the federal level, a lot of pushback among those who have relied on government, saying, "Wait a minute, you're talking about slashing our programs." And we've seen lots of rallies, lots of really heated debate. Is this going to be picking up in the months ahead?

Hayes: I think it could be. The question is whether President Obama decides that it's smart for him, electorally, to side with those interest groups, with these sort of interest groups that derive their power and their money from the government. He has dipped

"The question is whether President Obama decides that it's smart for him, electorally, to side with those interest groups that derive their power and their money from the government. He has dipped a toe in those waters. He did so in Wisconsin when he came out rhetorically and supported what the unions were doing there."

Stephen Hayes
Senior Writer
The Weekly Standard



a toe in those waters. He did so in Wisconsin when he came out rhetorically and supported what the unions were doing there. But he didn't go as far as he might have. I think if he had, he would have strongly risked the support of independents.

We've since seen in places like Wisconsin and Ohio the support for the governors there — Scott Walker in Wisconsin, John Kasich in Ohio — rebound a little bit, and they're now enacting their agenda. You're seeing some progress on this.

Whatever sort of white-hot anger was there in the midst of trying to pass these budget reforms has dissipated a little bit, and I think you're starting to see people take a second look at it. If these governors are able to produce budgets that are in balance, which it seems that they'll be able to do, I think you'll have people really taking another look. This again will help drive, in two very important states in the Midwest to the 2012 election, drive the debate.

Kokai: Beyond the day-to-day [developments], what are the things that you're sort of keeping on your radar screen in the months ahead, that you want to see how X and Y turn out to help you determine what's going to happen in the next election?

Hayes: Well, I think, you know, consistent with the things that we've been discussing, I mean I think the coming negotiations on the debt ceiling, this is likely to last for a long time. Timothy Geithner, secretary of Treasury, has now said that the United States won't reach sort of its final limit until Aug. 2, which provides a little more breathing room for these negotiations to continue. I think Republicans in Congress are heading in with a very serious set of policy proposals that they want to extract in exchange

for voting to raise the debt limit, and I think they're very serious about it. I don't think this is necessarily just a bluff. That, depending on how those negotiations turn out, what kinds of statutory restrictions are placed on spending — potentially the tackling of mandatory spending programs like Medicaid in these negotiations — will go a long way to determining who has the upper hand heading into the 2012 elections.

Republicans can point back and say, "Look, we made these reforms. We are the ones who forced the president's hand to get serious about debt and deficits." Then I think they can rightly go to the voters and say, "We are the party to lead us out of this coming crisis. We all know it's coming. We are the ones to do this." President Obama, by the same token, if he is able to position Republicans as too radical, which is certainly the aim of the Democratic Party right now, I think he may be able to demagogue this in a way that will obviously rebound to his benefit in 2012.

Kokai: How about the standard bearers? At this point, it looks like President Obama will be the person leading the Democrats again. What are you looking for in terms of the people who want to be the Republican presidential nominee?

Hayes: Well, I had a theory — now this is a year-and-a-half old — that the Republican nominating process would separate itself, the candidates would separate themselves into two camps: one group that was serious about debt and deficits and talking about entitlement reform, engaging the voters in sort of the adult way, and the responsible way, and talking about the big things in a way that might potentially cost them votes, might be politically risky; and then another group that wasn't willing to do that. Much to

my chagrin, I think we have seen that separation. It's just that nobody is in the [serious] group. There aren't many people who seem to be willing to talk about entitlement reform with any level of specificity, in any detail.

I think the field, as it sits right now, is open for that kind of a candidate. And we've, you know, heard rumblings that Mitch Daniels might run, and if he ran he would run that kind of a campaign, I believe. [Editor's note: Daniels announced after this interview that he would not run for president in 2012.] I think if Mitch Daniels didn't run, somebody like a Paul Ryan, who's put out this budget proposal, could be talked into running if there's nobody making the arguments that he's making. If you take him seriously when he says that the country is sort of on the precipice of economic collapse — economic ruin — I think there's a strong case to be made for him running.

Kokai: You mentioned Paul Ryan and whether he became a presidential contender or not. How important is it for the cause of limited government to have a Paul Ryan actually putting out a document that sort of spells out smaller government, rather than just sort of talking about it and hinting at it?

Hayes: I think it's absolutely crucial. I mean, there was a big debate about this among, you know, conservatives in Washington and people who said, "We can't possibly put out specifics like this. It's only inviting political attacks and will mean sort of permanent minority status for conservatives and/or the Republican Party." I strongly disagree with that. I mean, you have to have this kind of a governing blueprint, this kind of a document that tells voters where you're going to go, how you're going to get from point A to point B.

Professors Turn Their Ire On Conservative Students

By JAY SCHALIN
Contributor

RALEIGH

Professors making shocking political statements may seem hardly newsworthy, but faculty members traditionally have refrained from making attacks directly at students for their political expressions. That is no longer the case, however. There were two such incidents in one month (April), one of them in North Carolina.

In the most publicized case nationally, a campuswide email recruiting campaign by the University of Iowa College Republicans called “Conservative Coming Out Week” so enraged one professor that she responded with a mass email of her own saying “F--- You Republicans.”

The other incident occurred at Davidson College, a small, prestigious private school near Charlotte. This time, a professor’s abusive letter to the editor of the student newspaper attacked a conservative student columnist.

At Davidson, senior Bobby DesPain was a political columnist for the student newspaper, *The Davidsonian*. His conservative opinions often were unpopular on the liberal campus. On March 31, his column claiming that President Obama lacked leadership appeared. German professor Scott Denham fired off a letter that began by asking, “Is Bobby DesPain leaving soon? We, your loyal readers, sure hope so. He gives the intellectual climate here a bad reputation.”

He continued, “This last belch of his tops most of the others I’ve read over the years on the stench-o-meter of silliness.” Denham concluded the largely ad hominem assault with “We’d hate for Davidson to attract more of this sort of illogical thinker, regardless of politics.”

DesPain told the Pope Center that he was shocked that a professor would respond in such an abusive manner. He said he was no stranger to negative feedback, but that the direct attack on him “on a personal level” was entirely new.

School officials attempted to reconcile DesPain and Denham through a private meeting, but DesPain balked at the suggestion. He also expressed concern that if Denham’s actions were swept under the rug, other students might face similar intimidation. “In-

stead of debate, he seeks to silence,” he wrote of Denham in a subsequent *Davidsonian* article.

The Davidson administration has declined to make any statement regarding the situation. At Iowa, university president Sally Mason issued a bland general statement about diversity and respect that avoided any specific mention of the incident.

Neither professor has received any sort of punishment — at least publicly. Both issued apologies that were



“fresh outrages committed by Republicans in the government” for her profane missive.

Denham continued his attack on DesPain even in his apology, expressing his “frustration and anger in public at what I find are poorly argued ideas on your part. Engaging those in detail wasn’t on my agenda, since I don’t think there is much to engage.”

Opinions varied on how Denham’s case should be handled. One prominent Davidson student (who wished to remain anonymous) said that he thought actual punishment might be too severe, but that “he [Denham] should receive an official rebuke.”

Robert Shibley, a free-speech advocate for the Foundation for Individual Rights in Education, suggested that no further action by the administration was necessary in the Davidson case because DesPain willingly put himself in the path of all manner of criticism by becoming a political columnist.

“This sort of attack on a random, noncolumnist student would raise more professionalism concerns, and the concerns would be much greater still if the professor had the student in one of his classrooms,” Shibley wrote in an email.

But at least one person questioned Denham’s fitness as an educator. Davidson philosophy professor Sean McKeever asked in a letter to *The Davidsonian* whether Denham’s “contempt” for DesPain “can be consistent with our chosen vocation as educators or with the College’s mission to develop humane instincts.” CJ

Jay Schalin is director of state policy for the John W. Pope Center for Higher Education Policy (popecenter.org).

COMMENTARY

Secrets of Success From Dilbert’s Creator

The Pope Center sometimes publishes advice to college students from those who have “been there.” I recently discovered a wonderful piece of advice, especially (but not exclusively) for college students. I’d like to share it.

The source is Scott Adams, creator of the comic strip “Dilbert.” Writing in *The Wall Street Journal* on April 9, Adams said that most students are not cut out to be nuclear physicists, but they can succeed by learning to do “several different things fairly well.”

He wrote, modestly:

I succeeded as a cartoonist with negligible art talent, some basic writing skills, an ordinary sense of humor, and a bit of experience in the business world. The “Dilbert” comic is a combination of all four skills.

The world has plenty of better artists, smarter writers, funnier humorists, and more experienced business people. The rare part is that each of those modest skills is collected in one person. That’s how value is created.

That’s the secret! To succeed, you must combine your talents. You must be entrepreneurial about yourself, discovering your God-given raw materials and putting them together in your own way.

Even I learned that — eventually.

Growing up in a St. Louis suburb in the 1960s, I was what was known as an “underachiever.” I was pretty smart, but I wasn’t sure how smart. Worse, I had the idea that I was *only* smart; that is, I didn’t have much else going for me.

That mentality can be destructive. You fear that you might not be as good as you think. Taken to an extreme, it makes you avoid the exertion that is required for genuine learning. You can end up as a “person with promise” — but no fulfillment. In other words: me.

What does it mean to combine your skills? One illustration is Thomas Edison. He actually didn’t invent the light bulb, which had

been patented in 1845, nearly 40 years before Edison tried to patent his.

But Edison had many talents — many of them “people skills.” He made the light bulb a household product by replacing the gas lighting system of the time with one based on electricity. To reach his goal he worked with potential competitors (gas companies) and government regulators — and he even tempered his innovation.

Although he knew how to make a 40-watt light bulb, he initially offered a 13-watt bulb, which

shed just the amount of light provided by gas-light. (This information comes from the writing of innovator Andrew Hargadon.)

Edison combined his talents and skills into a unique combination. Was he the best at any one thing? Probably not.

Even I learned to combine my shallow collection of skills. When graduation day arrived

at Wellesley, I needed a job. I had worked on the *Wellesley News*, which gave me practical experience as a reporter. Consulting the Boston Yellow Pages, I found a job for \$70 a week at the *Jamaica Plain Citizen*, a newspaper that was tossed onto people’s lawns for free (called a “shopper”).

Residents of Jamaica Plain had begged the publisher to hire a reporter, any reporter (there had been just one for the entire Boston-area chain). They wanted the paper to create a sense of community. I became part writer, part reporter, and part community organizer.

I loved working. A job was a much more social environment than academic life — and I was paid, too! And I quickly discovered that journalism makes great cocktail party conversation.

My message: I experienced what Scott Adams put into words for me this April, and you can, too. We are all different combinations of qualities, and we can find productive niches in whatever environment we face. CJ



JANE SHAW

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

Campus Briefs

Freshman Reading

North Carolina universities' choices for 2011 summer reading have changed little from those of past years: They are uninspired, unchallenging, and predictably left-leaning.

Both Duke University and UNC-Chapel Hill chose *Eating Animals* by Jonathan Foer, a discussion of the moral dimensions of vegetarianism. N.C. A&T's assignment, *Planet of Slums*, by Mike Davis, examines the recent expansion of urban slums in less developed nations. Peace College chose *The Blue Sweater: Bridging the Gap Between Rich and Poor in an Interconnected World* by Jacqueline Novagratz — a description of the author's struggle to understand and address global poverty.

Methodist University's choice is the exception to the rule. *Scratch Beginnings: Me, \$25, and the Search for the American Dream*, by Adam Shepard, chronicles his journey from poverty to stability in the southeastern United States.

Shepard's book is a rebuttal to Barbara Ehrenreich's *Nickel and Dimed*, a widely used freshman reading that was the UNC-Chapel Hill selection in 2003.

According to his publisher, Shepard undertook his experiment as a response to "the apathy he saw around him" and to Ehrenreich's works *Nickel and Dimed* and *Bait and Switch*, which he had read during college. Those books, Shepard said, gave him a "feeling of hopelessness over the state of the working class."

Shepard started with very little — one 8x10 tarp, a sleeping bag, an empty gym bag, \$25, and the clothes on his back. He took the train to a city with which he was unfamiliar: Charleston, S.C.

Although Shepard had graduated recently from Merrimack College when he began his experiment, he used neither his degree nor his previous contacts in his job search. He lived for the first 70 days in a homeless shelter.

But after only eight months, Shepard achieved his goal: he owned a working automobile, had amassed nearly \$5,000 in savings, and had rented and furnished his own apartment.

Scratch Beginnings is a hopeful and welcome departure from the usual college fare. CJ

Jenna Ashley Robinson is outreach coordinator for the John W. Pope Center for Higher Education Policy (popcenter.org).

NCGA Crafts Compromise Budget for UNC System

By JAY SCHALIN
Contributor

RALEIGH
Creating this year's North Carolina higher education budget was a long and emotionally charged process, filled with wild conjectures and inflammatory rhetoric. In the end, the legislature crafted a compromise budget that both UNC system president Thomas Ross and small-government advocates can live with.

At the end of 2010, it appeared that the state needed to cut \$3.4 billion to make up for a loss of tax revenues and federal stimulus money. The UNC system — long the darling

of Democratic legislative majorities — seemed to be the fattest target for the new Republican legislative majority, which had vowed to balance the budget without additional taxes.

Various scenarios of impending doom were bandied about, starting with former UNC system president Erskine Bowles' comment at the November 2010 Board of Governors meeting that an entire campus might need to be shuttered. At the June meeting, Ross observed that when the legislative session began in January there were discussions of higher education cuts as high as 30 percent.

Then the House of Representatives' Education Appropriations Committee drafted a budget reducing university appropriations by 21 percent. The House eventually settled on a 15.5 percent reduction before passing it on to the Senate.

Throughout this process, Gov. Bev Perdue, UNC officials and lobbyists, and the media criticized legislators relentlessly. One major point of contention was the Republicans' insistence on allowing a 1-cent temporary sales tax to elapse; keeping most of it, as Perdue did in her budget proposal, would have enabled cuts to be less severe.

Finally, on June 14, with slightly higher-than-expected tax revenues and some creativity on the part of legislators, the General Assembly overrode the governor's veto of the legislature's \$19.7 billion budget. That's a \$2.2 billion reduction rather than the anticipated \$3.4 billion, a cut of approximately 9 percent from the \$21.9 billion needed to maintain current services.

Higher education's share of the

cuts was a bit greater, as expected, since its appropriations outpaced all other state spending in recent years. UNC is getting a \$406.6 million (14.6 percent) cut from its \$2.78 billion continuation budget. The continuation budget is what spending would be if the legislature made no changes, with automatic increases and the loss of nonrecurring items from the previous year's budget figured in.

The budget's key feature is the decision to give the universities final say on how to make the cuts, as the legislature sought to make the reduction more palatable. Thus the entire reduction and a little extra — \$413 million

— is in the form of "management flexibility." (The management flexibility cuts are partly offset by a few additions, mainly a \$46.8 million increase for enrollment growth.) Therefore, much of the

real impact will be unknown for some time.

The blow to the university system will be softened somewhat by tuition hikes put in place by the UNC Board of Governors in February. For 2011-12, the increases will average 6.8 percent — raising revenues systemwide by roughly \$63.8 million.

Financial aid was a particular problem area that the new budget addresses in a variety of ways. UNC

need-based aid, given solely according to the family income of students, has grown much faster than enrollment, which was growing twice as fast as the population.

To fund this expansion, previous legislatures had shifted the financing of need-based financial aid from the General Fund (supported by taxes) to the Escheat Fund (supported by the proceeds of unclaimed estates). Yet the Escheat Fund could not handle the huge demand on its principal and was in danger of disappearing by 2014.

The new budget takes care of this: Overall state appropriations for the UNC need-based aid programs will fall from \$162 million to \$127 million, mainly due to reduced funding from the Escheat Fund.

Providing further relief, \$37 million previously appropriated from the Escheat Fund will now be shifted back to the General Fund.

One of the two specific cuts not related to financial aid is a temporary \$26 million reduction to the annual \$44 million UNC Healthcare gets for indigent care. This was in response to the system's building up \$732 million in unrestricted reserves. The other is part of a two-year phaseout of the annual \$12 million appropriation to UNC-TV.

In the first year (2011-12), UNC-TV loses the entire amount, but \$10.6 million is restored for just next year. The following year, no money is restored, and the public broadcaster will have to depend on other revenues such as advertising and other corporate sponsorship. CJ

Jay Schalin is director of state policy for the John W. Pope Center for Higher Education Policy (popcenter.org).



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Opinion

Diverse Group Agrees: Incentives Lacking for Good Teaching

The Pope Center recently hosted an event in Washington, D.C., titled "Higher Education Reform: Where the Right and Left Meet." The concept was to bring together higher education critics from across the political spectrum for a freewheeling discussion of what has gone wrong in higher ed and how to salvage it.



GEORGE LEEF

Our six speakers — Kevin Carey of Education Sector, Claudia Dreifus (co-author of *Higher Education?*), Murray Sperber (author of *Beer and Circus*), Naomi Schaefer Riley (author of *The Faculty Lounges*), Richard Vedder of the Center for College Affordability and Productivity, and Peter Wood of the National Association of Scholars — hit upon a wide array of topics, but the one that dominated was the fact that quality teaching is not a priority at most schools.

Most outsiders assume that because colleges and universities are educational institutions, excellence in teaching is their top priority. The speakers all agreed that most schools don't make it a priority at all.

True, there are professors who love interacting with their students and would rather teach than work on some esoteric research project that few people ever will read. But to a shocking degree, professors think of actual teaching as drudgery to be avoided at all costs. When they can't avoid it, they do it with the absolute minimum

of effort.

Professor Sperber, whose field is English, pointed out that most college students (even grad students at top universities) write poorly and more than anything else need professors who will edit their written work line by line. Unfortunately, very few still do that. Rather than do the time-consuming work of editing, most professors just make a few general comments at the end, like, "You have interesting ideas."

The problem, several speakers observed, is one of incentives. Almost never is a professor rewarded for doing an exceptionally good job of improving his or her students' ability to write good, clear English. Almost never does a professor come under criticism for failing to do that, much less risk the loss of money or employment.

Professors are hired to teach courses, which means showing up for the class (most of the time) and turning in grades at the end of the semester. Exactly how they go about this "teaching" is their business, and administrators almost never scrutinize it.

The panelists identified tenure as one of the culprits. Faculty members working toward tenure usually are



so absorbed in the obligatory research and writing that they minimize the time and effort they put into teaching.

Tenure also figures in this problem indirectly. Because tenured professors are very costly, colleges have been hiring more and more adjunct professors. But adjuncts have no more incentive than tenure-track professors to devote a lot of time and effort working with students.

In her new book *The Faculty Lounges*, Riley focuses on the illuminating case of Nancy Jimeno, who decided that she wanted to teach about environmental politics and embarked on the necessary steps for a Ph.D. at California State University at Fullerton. After several years, she had completed the coursework, but could obtain only an adjunct position while completing her dissertation.

Nancy wanted to help her students. Riley quotes her: "Ninety percent of them come from homes where English is not spoken, and 60 percent of them are not ready for college. If I had the time I would go over the papers with each one. I wish I could do that. It would make such a difference in their lives."

Tenured faculty teach so little that adjuncts must be hired, but adjuncts teach so much that even they can't devote the time needed to working with students!

Tenure isn't the only villain. Incentives for good teaching are weak even at schools that don't have tenure. Professors are employed to "teach courses" rather than to ensure that students learn anything.

Many easily slide into what Sperber calls "the faculty/student nonaggression pact." That is, the professor gives a light work load and grades easily in return for the students expecting little of his time and writing favorable evaluations.

We need incentives for professors to do their utmost to see that students advance in learning mathematics, history, literature, writing, etc.

Dreifus identified why that rarely happens — few students and parents hunt for schools where teaching is prized. When parents and students visit a campus, she lamented, they usually ask about sports, parking, and student amenities, but almost never insist on sitting in on a class.

There's the essence of the problem.

Students and parents are so mesmerized by the college "experience" that they don't scrutinize the aspect that most matters: whether the courses offered are educationally sound, or just junk food for the mind. CJ

George Leef is director of research for the John W. Pope Center for Higher Education Policy (popecenter.org).

Almost never is a professor rewarded for doing an excellent job

Do universities really make the local economy stronger?

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

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From the Liberty Library

• Amid daily reports of violence and conflict in the Middle East, most Americans feel safe from terrorist attacks on our shores. And the recent series of thwarted bombing attempts have been dismissed as not terrorist attacks but isolated incidents by “extremists.”

“Not so,” says investigative reporter Erick Stakelbeck. “In fact, the Islamist threat on American soil is steadily growing. These attacks are actually part of a much larger arsenal of new tactics being employed by Islamic terrorists to conquer America.”

The Terrorist Next Door: How the Government Is Deceiving You About the Islamist Threat exposes just how determined, patient, and adaptable Islamic terrorists are. As an investigative reporter, Stakelbeck has gained unprecedented access to the terrorists themselves as well as the megamosques and secret terrorist training camps that are cropping up in seemingly unlikely places across America, and he provides firsthand evidence of just how vulnerable America is. More at www.regnery.com.

• The Jews who so deeply admired Franklin Roosevelt made up the richest, most influential Jewish community in the world: leaders in government, commerce, and the arts. Yet by the time Roosevelt died in office, the Nazis had murdered 6 million European Jews while neither FDR nor American Jews lifted much more than a finger to help them. How did the president, the nation he led, and American Jewry allow this to happen?

There is no simple answer, but Robert Shogan, in *Prelude to Catastrophe: FDR's Jews and the Menace of Nazism*, seeks a partial explanation by examining the behavior of a handful of Jews so close to Roosevelt and supposedly so influential that they could be considered “the president's Jews.” More at www.ivanrdee.com.

• In *Mere Environmentalism: A Biblical Perspective on Humans and the Natural World*, Steven F. Hayward provides a thorough examination of the philosophical presuppositions underlying today's environmentalist movement and the history of policies intended to alleviate environmental challenges such as overpopulation and global warming.

Relying on scripture to understand God's created order, Hayward offers an insightful reflection on the relationship between humans and the natural world. Learn more at www.aei.org. CJ

Book review

Shapiro Chronicles TV's Liberal Propaganda Efforts

• Ben Shapiro, *Primetime Propaganda: The True Hollywood Story of How the Left Took Over Your TV*: Broadside Books, 2011, 393 pages, \$26.99.

By SAM A. HIEB
Contributor

GREENSBORO
I may be a conservative, but I still love TV. I count as my personal favorites “M*A*S*H,” “All in the Family,” “The Twilight Zone,” “Hill Street Blues,” “The Simpsons,” and “Sex in the City.” Run a marathon of any of those shows, and the yard work waits another day.

But while they're all well-acted, well-written programs, they're also among the more liberal programs in television history. Sure, it's no secret that Hollywood is overwhelmingly liberal, just as it was no secret that most modern liberals are really fascists.

But Ben Shapiro's fascinating new book *Primetime Propaganda: The True Hollywood Story of How the Left Took Over Your TV* makes us think about television as we never have before, much in the same way Jonah Goldberg's *Liberal Fascism* made us think about modern liberalism.

After reading *Primetime Propaganda*, you'll still enjoy television, because television is awesome! But you'll never watch it the same way again.

With that in mind, Shapiro at least makes me feel better about my addiction.

“Nobody wants to turn off the television because television is great!” Shapiro writes. “Television is just too much fun for people to turn it off. We come home from a long day at work, and we want to space out, so we flip on the tube. We've been doing it for generations.”

If you're a certain age, you'll certainly enjoy Shapiro's analysis of television's history. There have been many influential programs over the years, but Shapiro makes the case that the most influential was Sid Caesar's “Your Show of Shows.”

Caesar “came from a certain milieu” — he was a Jewish liberal — and his writers came from that same milieu. The writers' room featured stars in their own right who would make their mark on television for decades to come: Larry Gelbart (“M*A*S*H”); Mel Brooks (“Get Smart”); Carl Reiner (“The Dick Van Dyke Show”); and Mel Tolkin (“All in the Family”).

Just as this group of talented and politically liberal writers began to produce their own material, society became altered radically. JFK was elected president. The civil rights movement took off. Opposition to the war in Vietnam grew.

By the early 1970s, CBS had developed two shows that blatantly attacked authority — “M*A*S*H” — which simply substituted Korea for Vietnam — and “All in the Family,” which took on the conservative political establishment in the form of a Queens dock worker named Archie Bunker.

But there were a couple of problems. For starters, both shows did poorly in the ratings in their first couple of seasons. But so eager were the creators — and the network executives — to push their political message that they stuck with them.

“M*A*S*H” stayed on the air despite initial ratings that made CBS executives nauseous — largely because the executives at CBS were liberal and “M*A*S*H” was a militantly liberal show,” Shapiro writes.

Yet attacking authority had an unexpected result.

While Archie Bunker was always on the losing end of every episode, Carroll O'Connor's considerable acting skills made Archie a sympathetic character in the audience's eyes.

The same was true for “Family Ties,” the first show representing liberal angst during the yuppie Reagan years. Hippies benefiting from the capitalist system they so despised began to question their existence. As a result, “Family Ties” made the authority figure an easier target: a conservative teenager named Alex P. Keaton.

Shapiro interviewed “Family Ties” creator Gary David Goldberg, who freely admitted the show's template week after week was “Alex has a conservative/greedy idea, Alex screws something up, Alex apologizes.”

But like O'Connor, Michael J. Fox played his character so brilliantly that audiences tuned in to see him, not wallow in the angst of the 1960s generation in the midst of the Reagan Revolution. In the ultimate irony, the Gipper proclaimed “Family Ties” to be his favorite show.

The same pattern held true for television drama. Both “Hill Street Blues” and “St. Elsewhere” started out with abysmal ratings, but NBC executives stuck with them because of their so-called important liberal messages about law enforcement and health care, respectively.

All of these shows are part of liberals' efforts to portray reality — their reality.

“But to truly understand the minds of those in Hollywood, we must understand that their shows are reflective to them. In their world, what they put on television is just as real as what you see on the History Channel,” Shapiro writes. “And in their view, liberal is real.”

Of course the ultimate irony is Hollywood's answer when being attacked for liberal programming — just change the channel. Hollywood liberals advocate the free-market system they

so despise, never mind the fact that in a true free-market system, “Hill Street Blues” would have been canceled after just a few episodes.

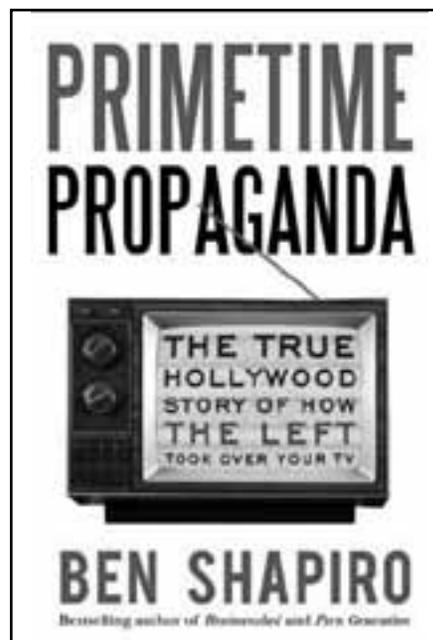
But while there are some choices out there for conservatives, Shapiro concludes that there's no “changing the channel.”

“For now at least, the industry remains one-sided, with creators and executives ignoring the market data,” Shapiro writes. “Flipping the channel has become like voting in Cuba. You can do it, but your preference isn't going to make much of a difference when the choices are all the same.”

There's another irony. While television screams “censorship” when government protests violent and sexual content, the industry sure doesn't mind kowtowing to government when there's a politically favorable (i.e., Democratic) administration in charge.

Think about it: Unlike motion pictures, television has been dependent on the government since its inception due to its use of public airwaves. Thus, it's only natural that television executives would develop relationships with government officials to ensure political favoritism. As Shapiro notes, the “patented Hollywood-D.C. back-scratch” became “an intensely common phenomenon during the Obama administration.”

I will not go cold turkey after *Primetime Propaganda*. I'm willing to let politics go in order to have a good laugh or have my heartstrings tugged. If anybody's unwilling to let politics go, it's Hollywood. That's Hollywood's problem, not mine. CJ



Compensation for Eugenics Program Victims Finally Debated

During the past legislative session, the General Assembly seriously debated whether to divert funds to compensate sterilization victims of North Carolina's eugenics program.

Long before many other organizations discussed the issue, John Locke Foundation staff penned commentaries in 2005 and 2007 and made presentations from 2008-10 about the history of the program and called for compensating living victims.

It's a hot subject many will not touch. Some are afraid that providing compensation would be an incremental step toward giving reparations for slavery, so they would rather not discuss the problem. The two issues are distinct. Hundreds of sterilization victims are still alive. The last surviving slave died decades ago.

Others don't want to touch the issue because it calls into question one tenet of Progressive ideology — implementing coercive government

programs for the "general good."

The Eugenics Board was established the same year the Third Reich began — 1933. Before Nazi Germany instituted forced sterilization programs, North Carolina enacted a sterilization law in 1929 and started forced sterilizations. When states decreased the number of sterilizations in the second half of the 20th century, North Carolina bucked the trend and increased sterilizations. Over 57 years, according to some sources, the government had violated 7,600 individuals. Thankfully, the state ended the Eugenics Board of North Carolina in 1974.

Eugenics is the study of or belief in the possibility of improving the quality of the human species or a human population, especially by such means as discouraging persons having genetic defects or presumed to have inheritable undesirable traits from reproducing (negative eugenics) or encouraging persons presumed to have inheritable desirable traits to reproduce (positive eugenics).

The Eugenics Board's main goal was to alleviate poverty and eradicate addiction and crime. In the board's latter years, social workers were given power to identify "undesirables" and recommend to a five-member Eugen-

ics Board that a person be sterilized. North Carolina allowed sterilizations for three reasons: epilepsy, sickness, and "feeble-mindedness."

Poor and rural North Carolinians seemed to be the primary targets. I seriously have wondered how many "feeble-minded" Tar Heels came from rural areas and to what extent the cultural clash between urban and rural America contributed to interpretations of "feeble-mindedness." Whatever the case, the victims were poor and were duped into sacrificing their reproductive abilities.

Throughout the history of the eugenics program in the state, men and women were targeted as sterilization candidates. Women, however, comprised the vast majority: Six out of seven victims were women.

Blacks and whites were targeted, too. Overall, more white women were victims than black women. And overall, more white men than black men. Approximately 40 Native Americans (all but one of them female) were sterilized, too.

It's important to note that the number of sterilizations, especially of black North Carolinians, increased dramatically after World War II, when more people were allowed to receive

welfare benefits. Early on, the eugenics program disproportionately affected whites. But overall, from 1933 to 1973, it disproportionately targeted blacks.

Questions of race, class, and gender should be asked about the eugenics program, yet it seems the elephant in the room everyone ignores is government intervention.

North Carolina's eugenics program reveals the consequences of government's excessive meddling. Government started a welfare program that had inherent flaws. Officials tried to repair those flaws by intervening in people's lives.

Without government power, the narrow-minded would not have been able to sterilize approximately 7,600 North Carolinians — white and black, male and female. Power allows people to act on their prejudices, whatever they may be.

In June, my JLF colleague Daren Bakst published an extensive policy report, *North Carolina Forced Sterilization Program: A Case for Compensating the Living Victims*. I recommend it. CJ

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



TROY KICKLER

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Short Takes on Culture

'Elephants' a Strong Film

• "Water for Elephants"
Directed by Francis Lawrence
Fox 2000 Pictures

Based on the popular book by Sara Gruen, "Water for Elephants" is one of the most talked-about releases of the year.

Set in a traveling circus during the Great Depression, the film follows the life of Jacob Jankowski (played by Robert Pattinson, of "Twilight" fame) who joins the circus as an animal trainer after his parents are killed. The plot is driven by an awkward love triangle involving Jacob, the circus owner August (played by Academy Award-winner Christopher Waltz), and August's wife, Marlena (played by Academy Award-winner Reese Witherspoon).

Waltz's performance as the megalomaniacal August is spellbinding and should have him squarely in contention for this year's Best Supporting Actor Oscar. Witherspoon's acting is good as well, but the one thing that keeps this movie from being truly great is Pattinson's performance. His acting often seems pedantic and uninspired, and his chemistry with Witherspoon is nonexistent, which takes the air out of the film's central relationship.

While the movie's story is indeed strong and uplifting, a more convincing central romance would have elevated the movie into a different stratum. That being said, I still recommend this movie for all adults, especially couples who appreciate love stories.

"Water for Elephants" is rated PG-13 for language and violence, and I would not recommend it for children.

— DANIEL SIMPSON

• "Tangled"
Directed by Nathan Greno
Disney DVD

The most costly animated movie, the second-highest grossing Disney film, and an "instant classic": This is Disney's newest princess movie, "Tangled."

"Tangled" is the story of kidnapped princess Rapunzel on a journey to fulfill her lifetime dream. Along the way, she coerces scalawag Flynn Rider and convinces the unwilling but faithful horse Maximus to guide her. Filled with laughter and music, Rapunzel brings happiness everywhere she goes — even the thugs at the Snuggly Duckling can't resist her charm!

The film has more depth than

I expected of a fairy tale, having genuine character development. In a story with good and evil, a movie necessarily cannot be all fun and games. Disney does keep the film mostly lighthearted, though, and takes ample opportunities to make subtle reference to some of the studio's successful films.

"Tangled" is a delightful movie for almost all ages. The animation is fantastic, and this easily could be Disney's new mold for their retold tales. There is the expected evil "Mother," so I do not recommend allowing little children to see this film; otherwise, you have no excuse not to take a summer break and allow yourself to get "Tangled" in Rapunzel's world.

— AMANDA VUKE

• *When I Stop Talking, You'll Know I'm Dead*

By Jerry Weintraub with Rich Cohen
Hachette Book Group, Inc.

Jerry Weintraub and Rich Cohen come together to create a humorous, witty, and insightful memoir. Weintraub's book is an account of his journey — a rags-to-riches tale of a scrappy Bronx teen who climbed his way to great success in the annals of American music, movies, and show business.

His story excites and charms, in addition to teaching some vital principles along the way.

The memoir opens on the streets of New York City, where Jerry learns the ways of the street and the value of relationships. Eventually making his way to Los Angeles, Weintraub describes his first experiences with classic Hollywood stars like Betty Grable and John Wayne.

Some of the most exciting stories in the memoir are the concert and movie stories. Elvis, Sinatra, and John Denver all find their part in Jerry's wild, legendary story.

When I Stop Talking, You'll Know I'm Dead is an exclusive look into Hollywood's Golden Age: the musical icons Elvis, Sinatra, and Denver, plus the productions of movies such as "Karate Kid" and "Ocean's Eleven," "Twelve," and "Thirteen."

Weintraub's story is a smoothly crafted tale that gives an honest view of what goes on behind the scenes of American entertainment. Anyone looking to learn some hard-knock lessons on life from one of the best smooth talkers in show business should give this book a read.

— JONATHAN MARTIN CJ

Book review

Dispelling Smoot-Hawley's Myths

• Douglas A. Irwin, *Peddling Protectionism: Smoot-Hawley and the Great Depression*, Princeton, N.J.: Princeton University Press, 2011, 244 pages, \$24.95.

By PHIL MURRAY
Contributor

RALEIGH
Willis Hawley, a Republican from Oregon in the U.S. House of Representatives, promised that the bill would create "a renewed era of prosperity." Reed Smoot, a Republican from Utah in the U.S. Senate, claimed "the Depression would have been worse without the higher tariff." They were selling the legislation bearing their names.

Douglas A. Irwin's *Peddling Protectionism* re-evaluates the Smoot-Hawley tariff and its role in the Great Depression, dispelling some long-held myths. One "popular perception" of Smoot-Hawley is that American producers agitated for protection from imports. Irwin's review of the history shows this to be wrong. Although some farmers wanted higher tariffs, others preferred price floors, subsidies, or even lower tariffs. Failing to make these policies into law, Midwestern Republicans hatched the idea of raising tariffs on agricultural imports.

The Republican Party incorporated this strategy into its 1928 platform, hoping to win the votes of farmers. Republicans retained their congressional majorities, and Herbert Hoover became President. The revision of the tariff code metastasized into the Smoot-Hawley Tariff Act of 1930.

Irwin's longest chapter is the story of how Smoot-Hawley was made. Congress is predisposed to restrict trade because "the benefits of a tariff are highly concentrated on a few producers who are strongly motivated to organize and defend that policy; whereas the costs of tariffs are spread widely among many consumers for whom it does not pay to organize any serious opposition."

Tariffs were popular. Occasionally, producers who imported products clashed with domestic producers of those products. Cattlemen, for example, wanted higher tariffs on imported leather, but manufacturers of footwear opposed them. "Such conflicts were usually resolved," explains Irwin, "by offering higher tariffs to both sides."

Logrolling raged in the Senate. Smoot, for instance, "convinced nine senators to change their vote on the sugar tariff in a vote-trading deal in

which greater protection would also be given to lumber, oil, cement, and glass." Eighteen months after deliberations began, the House and Senate passed their reconciled version of the bill in June 1930, and Hoover signed it.

Another "popular perception" is that the Smoot-Hawley tariffs were astronomical and caused the Great Depression. Irwin shows this to be wrong, too: "[T]he best guess is that [Smoot-Hawley] probably raised the average tariff on dutiable imports by about 15-18 percent, an increase of about 6 percentage points," Irwin says. "Historically, the Smoot-Hawley increase was not extreme."

Nor was the effect on imports. The tariff did cause imports to fall during the early 1930s, but the combination of deflation and the tariff contributed to this reduction in trade. "Most of the decline in imports — about two-thirds — was the result of a decline in demand resulting from falling income," Irwin notes. "The consensus among economic historians," he reports, "is that monetary and financial factors were the dominant factors behind the Great Depression in the United States."

That said, the "popular perception" that Smoot-Hawley provoked foreign governments into retaliating with their own tariffs against American exports is "largely accurate," Irwin concludes. The tariff was not the only reason protectionist policies broke out around the world, however. Irwin maintains that Britain's abandonment of the gold standard in 1931, making its exports cheaper, induced other countries to impose protectionist measures. Governments also blocked imports as economic depression spread throughout the world, Smoot-Hawley notwithstanding.

"But although Smoot-Hawley was not entirely responsible for the massive outbreak of protectionism in the early 1930s," concludes Irwin, "it certainly contributed to the climate in which such policies flourished."

A few passages read like an academic journal. On the other hand, 17 editorial cartoons throughout the book educate and entertain. By reading Irwin's enlightening account, one may learn a lot about history, economics, and the grisly process of making legislation. CJ

Phil Murray is a professor of economics at Webber International University.



Book review

Gray's *Battle* Takes Philosophical Look at Health Reform Debates

• C.L. Gray, M.D.: *The Battle for America's Soul: Healthcare, the Culture War, and the Future of Freedom*; Even-tide Publishing; 2011; 320 pages; \$19.95 paperback.

By MITCH KOKAI
Associate Editor

Stroll through the "current events" or "politics" aisle of any well-stocked bookstore, and you're likely to find several titles similar to *The Battle for America's Soul*.

You can just about guarantee that the story between the covers will make a strident case that Barack Obama wants to destroy the free world — or that Dick Cheney is the Antichrist — depending on the author's political predilections.

Grab a copy of this new release, scan the cover image of a lightning bolt striking near the U.S. Capitol, and you could be excused for expecting another tome following the tried-and-true template. If you notice that the author is an M.D. and that the first item in his subtitle is "health care," you might predict that the book will offer a point-by-point denunciation of ObamaCare.

If that's the mind-set you bring to Dr. C.L. Gray's work, you'll be surprised. The surprise should be pleasant.

Sure, Gray is concerned about the 2010 federal health care reform law and the harmful impact it's likely to have on American patients. He's a board-certified physician who practices hospital-based medicine in western North Carolina. He founded the group Physicians for Reform in 2006 to focus on "fiscally responsible, patient-centered" health care reform. He knows ObamaCare is bad news.

But Gray's critique of ObamaCare represents a small piece of a larger argument. Gray treats the health care law as a symptom — if you'll pardon the pun — of a larger malady that has afflicted American politics far longer than the most recent set of election cycles.

Rather than point his finger at President Obama and his Democratic congressional colleagues, or even the Progressives who paved the way for government-

run health care in the earlier decades of the 20th century, Gray turns the clock back more than 2,400 years. He traces much of today's debate about health care — and other hotly contested topics such as property rights, for that matter — to the "diametrically opposed world-views" represented by ancient Greeks Hippocrates and Plato.

"On one side stand the ... Hippocratic physicians, where the intrinsic worth of the individual was rooted in deity and not subject to human opinion," Gray writes. "A higher moral law that recognized the intrinsic worth of every human life held physicians and government in check."

Though Hippocrates' ideas dominated medical philosophy for centuries, they faced strong opposition from the start. "On the other side lay mainstream ancient culture and the dominant Greek philosophy," Gray explains. "Decision-making with respect to the value of human life was not accountable to the gods. Absent a higher law to which he was subject, Plato's philosopher king determined the value of human life."

Substitute "elected official" or "appointed bureaucrat" for "philosopher king," and you begin to see the problem Gray identifies.

Much of this book deals with the manner in which ideas first expressed — or, at least, first expressed in forms transmitted to us — in ancient Greece have been adopted, modified, transformed, and rejected over the course of two millennia. Gray delves into philosophy, art, and literature to explain how the views of such diverse thinkers as Aquinas, Galileo, Locke, and Nietzsche contributed to the modern understanding of truth.

If there's one criticism of an otherwise fascinating book, it's that Gray's desire to cover so much of recorded intellectual history in slightly more than 300 pages seems to lead to occasional oversimplifica-

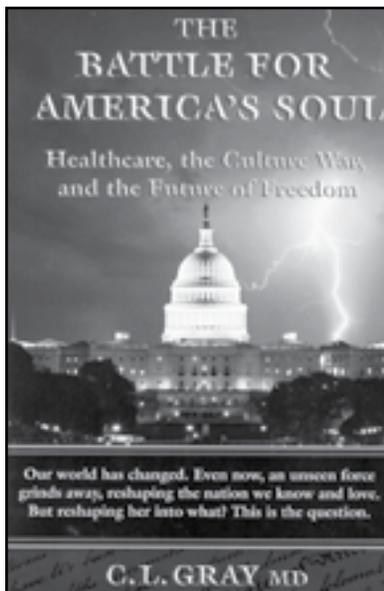
tion. Your reviewer admits to having read much less of the source material than the author, but it's hard to accept a blanket statement that all of "northern Europe" and "southern Europe" adopted distinct, mutually exclusive approaches to centuries of intellectual development.

It's far easier to believe that prominent thinkers in those different geographic areas tended to deal with philosophical arguments from different perspectives. But that is an empirical question best answered by reading more of the source material. One suspects that Gray would be happy to spark an interest among his readers in the great works of Western thought.

Without spoiling the fun of reading Gray's text, one can note that he names the "postmodern politician" as the intellectual heir of Plato's world-view. Near the end of his discourse, Gray warns readers how they can spot these politicians. They disregard the rule of law, favor the transfer of power to government, appoint postmodern Supreme Court justices, appeal to foreign law, fail to move against "reprehensible behavior" abroad, and accept the "concept of global governance."

Why is it important to identify these political actors?

"This is the fundamental Law of Liberty: Whoever controls the concept of Truth controls power," Gray argues. "This law fuels the intense emotion behind America's culture war. A government restrained by a higher law (the laws of nature and of nature's God) allows for individual freedom; a government free to impose its will on the people — even under the banner of public benefit — ends in tyranny. If America loses her concept of a fixed point of reference, she will assuredly lose her most treasured possession, liberty itself." CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business

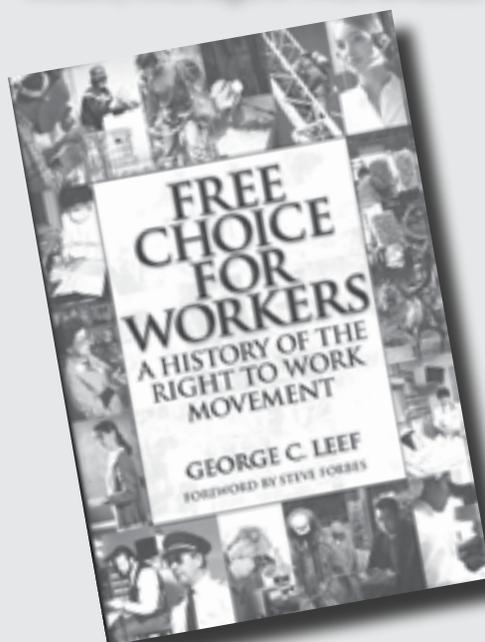


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COMMENTARY

Cognitive Dissonance: More Than a State of Mind

How do you select your heroes? Those people we elevate, support, admire, and revere, and whose values resonate most strongly with us are probably our (acknowledged or unacknowledged) heroes. Almost invariably, they are extremely effective leaders as well. If it is true that everyone you encounter either will reform, deform, or transform you, then it pays to select your role models with care.

The idea that you simultaneously can hold two enduring yet conflicting beliefs, or “truths,” and rationalize them, or the idea that you can say that you believe in one thing, and behave in a contrary manner, exemplifies cognitive dissonance.

Everyone fails at achieving perfection, or occasionally is inconsistent. That’s the nature of human beings. Even a single instance of infidelity in marriage, for example, is a one-time failure (and a very serious one, by most people’s reckoning). Cognitive dissonance arises when we individually, and perhaps collectively, rationalize and excuse the clash between the values and beliefs of monogamous marriage with the notion or even practice of serial infidelity — instead of resolving the problem or, as appropriate, ending the marriage.

Transformative and positive leaders are people whose actions consistently mirror their stated beliefs. Their explicit concerns seem to include: 1) personal integrity, truth, and a rejection of moral relativism; 2) independent thinking, or the willingness and ability to “create new facts” rather than accept the existing ones as invariably given; 3) personal humility; 4) charitableness within a framework of sound judgment; and 5) a clear vision of future possibilities.

Inconsistencies are more troubling when they appear in political leadership and make their way into policies, mandates, regulations, or (sometimes) permissiveness within our social and economic life. As a matter of policy, do we allow graduations for high school students who cannot read, while continuing to argue that schools are educating stu-

dents to competency, and not just grade level? And what about justice vs. mercy? Does it mean, “It’s OK for that person to steal from you (me) because that person is poorer/less educated/more disadvantaged than you are (I am)”?

Here again is a reason for choosing our heroes extremely carefully. Trying to hold conflicting beliefs and values deforms our thinking and our behavior over time. Personal and social norms — regarding education, taxation, individual freedoms, child rearing or even childbearing, voting, criminal behavior, and other matters — tend to become ad hoc expressions of utilitarian values: what is expedient or popular in the moment. Perhaps this kind of leadership is more a matter of technique, then, or “smarts”?

Technique has some merit, but not by itself. Repeated tales of industries led by the “smartest guys in the room” demonstrate that intelligence and task competence, without character, spell disaster. Once the dictum “deceive for the sake of the task” becomes an operating rule, the consequences can and usually do get ugly.

If positive leadership is at least partly a matter of values, then we really do need to consider how it operates. Ethicist George Weigel notes:

Every moral code has to have an answer to the question “Why be good?” How is it that moral choices are not just personal preferences? How can society discuss questions of how we ought to live together if nobody knows where “ought” comes from and everybody thinks that “ought” is an imposition of someone else’s will?

Avoiding cognitive dissonance is one part of the answer. And intellectual ability, while essential in a variety of leadership tasks, is not identical with, nor even a substitute for, character. As Leonard Read argued in *Vision*, leadership requires insight to accompany the gift of foresight. CJ

Karen Y. Palasek is director of the E.A. Morris Fellowship for Emerging Leaders (eamorrisfellows.org).



**KAREN
PALASEK**



EDITORIAL

The Git-'Er-Done Legislative Session

A few short months ago, outgoing House Speaker Joe Hackney, D-Orange, would not let the new members of the North Carolina House move into their offices before the start of the legislative session.

Incoming Speaker Thom Tillis, R-Mecklenburg, wanted members to go to work on opening day, Jan. 26. But Hackney was in no hurry — under Democratic rule, it often took weeks for significant legislative action to occur. Hackney let holdovers from the previous session dawdle until late January to clear their offices. (To his credit, outgoing Democratic Senate leader Marc Basnight allowed a timely, orderly Senate transition.)

The weekend before opening, an exasperated Tillis hired 15 state inmates for two days to empty the old offices. Hackney’s petty power trip — and Tillis’ creative solution, costing taxpayers \$30, \$1.00 a day each — offered a preview of the fast-paced, yet contentious, session to come.

Republican legislators, in full control for the first time since Reconstruction, ran on a conservative agenda, won an emphatic mandate, and acted decisively on many promises.

Republicans advanced sound conservative policies in several crucial areas:

- **Fiscal responsibility.** Last year, Gov. Bev Perdue vowed that the 1-cent sales tax increase she signed in 2009 would sunset at the end of June. But her budget kept three-fourths of the tax in place. The GOP let the tax expire and added a \$50,000 tax exemption for small businesses — returning nearly \$1.3 billion to the pockets of North Carolinians, who can spend the money more wisely than bureaucrats. The budget also requires state em-

ployees to pay more for their health insurance, stanching some of the State Health Plan’s red ink.

- **School choice.** Senate Bill 8 lifted the senseless cap on charter schools, now set at 100. House Bill 344 gives parents of disabled children who want to take advantage of private schools or nondistrict public schools a \$6,000 tax credit. Expanding parental choice and subjecting district schools to competition will improve education for all children.

- **Property rights.** House Bill 845 limits involuntary annexations, giving residents facing annexation the chance to reject it. A 2012 constitutional amendment ending eminent domain for economic development cleared the House and should pass the Senate this summer.

Meantime, Perdue and most Democrats defended a dysfunctional status quo. The governor vetoed a budget that spent a mere 2 percent less than the one she proposed. Five moderate House Democrats joined Republicans to override that veto. She also vetoed popular measures — one exempting North Carolinians from the mandates in ObamaCare, a second reining in excessive jury awards, and a third requiring voters to present a photo ID at the polls.

Republicans also made rookie mistakes. Government transparency measures went nowhere. Tillis inexplicably gave seven staff members huge raises at session’s end. Economic incentives, aka corporate welfare, survived.

But the GOP largely provided forward-thinking leadership during difficult economic times. Democrats backed the failed policies of the past — proving that elections indeed have consequences. CJ

EDITORIALS

Perdue's Bad Bet

Her veto strategy promises few dividends

When Gov. Bev Perdue issued her veto of the North Carolina legislature's budget plan for next year, she must have known that a bipartisan majority would override it.

The truth is that the governor did it for political reasons — not that there's anything wrong with that. Recognizing that she lacked the power to coerce the legislature to adopt her plan, and unwilling to meet it halfway, she chose to take her case to the voters.

The lawmakers who voted to override her veto, all the Republicans plus five House Democrats, made a similar decision. They believe that their no-tax-hike budget is not only a prudent policy but also fits the prevailing mood of North Carolina voters.

Unwilling to capitulate to the governor's original \$19.9 billion starting point for the state's General Fund, and unable to get her to agree to their \$19.1-\$19.2 billion figure, legislative leaders compromised about halfway, at a bit over \$19.5 billion (not counting about \$200 million in fund shifting).

The legislators had a deal. It stuck.

We think that Perdue and her allies will prove to be the Chicken Littles here. Their wild claims of "generational damage" to education, tens

of thousands of jobs lost, and massive deterioration of North Carolina's quality of life will look ridiculous over the coming year as courts and prisons continue to operate, schools begin their 2011-12 academic years as usual, and other services continue without radical change.

It is simply impossible for a \$19.9 billion General Fund budget to protect the vital services of government and a \$19.5 billion budget to gut them. We're talking about a difference of two percentage points.

One reason the two sides proved to be so committed to their respective political judgments is that they were looking at widely diverging poll results.

The liberal Public Policy Polling firm found scant support, just 23 percent, for the Republicans' no-tax budget. Asking a different question, the conservative Civitas Institute got a very different result, however: 70 percent favored a GOP budget at \$19.3 billion with no sales-tax extension, while only 20 percent favored Perdue's \$19.9 billion plan with the tax extension.

By issuing a doomed veto, Perdue was willing to suffer a short-run loss for the promise of an electoral gain in 2012. We don't think she's going to get it. *CJ*

GOP Picks the Penalty

Republicans will replay this down over and over

If you're the captain of a football team whose opponents have just been flagged for a penalty, you usually get a choice of two outcomes: the penalty or the play.

Often, it makes sense to pick the penalty. You allow the opposing team to replay the down, but it has to give up yardage. If the play was bad for you, or the penalty involves 10 or more yards, the decision is an easy one.

Sometimes, though, it makes sense to decline the penalty and let the play stand.

In the North Carolina General Assembly, Republicans had a similar call to make once Democrats refused to compromise on a proposal requiring voters to show photo IDs at the polls.

After offering to allow voters to present documents other than photo IDs, and getting no Democratic support, Republicans chose to return to their original, "purist" stance.

Their decision is analogous to

picking the penalty over the play. Gov. Bev Perdue has vetoed the voter ID bill. Republicans appear to lack sufficient votes in the House to override such a veto.

So the bill won't become law. It will remain a live issue.

Politically, this constitutes a penalty for the Democrats. The vast majority of North Carolina voters find photo ID requirements entirely reasonable. To swing voters, Perdue will seem unwilling to safeguard North Carolina elections against voter fraud.

In our view, the issue isn't the equivalent of a pass-interference call, or even a 10-yard holding penalty. It's more akin to a five-yard penalty.

But Perdue is deep in her own territory. Her game plan for re-election in 2012 will be challenging to pull off. She can't afford even a false-start flag.

But that's what the governor and her legislative allies have managed to produce. Republicans will be more than happy to replay this down, again and again. *CJ*

COMMENTARY

Don't That Beat All?

I've been writing a column about North Carolina politics for nearly 25 years. During that time, I've had occasion to criticize the policies of four different governors — Jim Martin, Jim Hunt, Mike Easley, and Beverly Perdue.

None has seen fit to order me flogged. An ancestor of mine, William Pendley, wasn't so lucky.

I recently began research on a book about the ancestry of my father, Harold Hood.

A native of Caldwell County, my dad has deep roots in the North Carolina mountains. Most of his family arrived in what are now Caldwell, Burke, Wilkes, Ashe, and Watauga counties during the 18th century. While the Hood line was originally Dutch and Scandinavian, my father's other ancestors were primarily Scots-Irish, along with English and a smattering of French, German, Italian, and Cherokee.

Most of my dad's English progenitors arrived in the New World before 1700. In what might be a sign of things to come, many were getting away from authority figures they didn't like. My father's ancestry includes Puritans escaping religious persecution to settle in New England, Cavaliers escaping Puritan persecution to settle in Virginia, and assorted malcontents escaping political enemies to settle in the mid-Atlantic colonies.

One of these was William Pendley — although, technically speaking, he wasn't fleeing his own enemies. He was fleeing those of his master, Walter Broadhurst.

Broadhurst was the young scion of a wealthy Catholic family in England. Seeking freedom and fortune in the New World, Broadhurst arrived in Baltimore in 1639 with Pendley as a servant. Although poor enough to have to sell his services in exchange for passage, Pendley was literate and intelligent. During several years of service to Broadhurst and another prominent Maryland citizen, Dr. Thomas Gerard, Pendley occasionally acted as an attorney handling some local legal and land disputes.

The 1640s were a tumultuous time in Maryland politics. Lord Leonard Calvert, a Catholic and

the first proprietary governor of the colony, originally tried to rule Maryland with an iron fist. He had to yield authority to a colonial assembly. As the English Civil War approached, Calvert attempted to keep Maryland neutral. It didn't work. A Protestant revolt forced Calvert, his family, and his religious and political allies to flee to Virginia.

Pendley, my ninth great-grandfather, was among them. He was married by then, and at least one of his children was born in Northampton County, Va.

Calvert returned to power in Maryland in 1646, then died a year later. On his deathbed, Calvert appointed Thomas Greene as his successor. But Greene's tenure lasted

less than a year. The next governor, the Protestant William Stone, was less to Pendley's liking, it seems.

In early 1649, Pendley gave a speech at the home of a certain John Hallows at which he reviled Stone and his policies. Pendley said he regretted returning to Maryland, that he'd rather have stayed in Virginia, and indeed that he'd rather "have gathered oysters for a living" than do any service for the governor.

Pendley was arrested and charged with sedition. A Maryland court convicted him and sentenced him to be imprisoned and whipped with 20 lashes. Within a few weeks, Pendley was dead at the young age of 30 — most likely as a result of his flogging by the colonial authorities.

My preliminary research found many other opinionated troublemakers in my family tree. One ninth great-grandfather, John Tully, was one of colonial America's first newspaper publishers. And several Quaker ancestors espoused and advanced the cause of abolition, one provoking a major court case in Virginia over the right to liberate slaves.

As far as I can tell, however, only one of them — William Pendley — was beaten to death for expressing his opinion. Puts things in perspective, doesn't it? *CJ*



JOHN HOOD

John Hood is president of the John Locke Foundation.

EDITORIAL BRIEFS

The Myth
Of Killer Mercury

The Environmental Protection Agency has released a new series of regulations aimed at reducing power plant emissions of mercury and other pollutants. These new regulations are counterproductive, however, write Willie Soon of Harvard University and Paul Driessein of the Committee For A Constructive Tomorrow in *The Wall Street Journal*.

Coal-fired U.S. power plants currently emit an estimated 41 to 48 tons of mercury per year. That constitutes less than 0.5 percent of total mercury that gets into our air. Mercury occurs naturally in the environment, with volcanoes, subsea vents, geysers, and other sources putting out 9,000 to 10,000 tons per year. U.S. forest fires emit about as much mercury as U.S. power plants. Chinese power plants, meanwhile, emit an estimated 400 tons per year.

The new rules will cost \$10.9 billion annually, even though blood counts from 1999-2008 have shown steadily decreasing mercury levels in U.S. women and children. Those levels are lower than EPA standards for safe exposure.

"The proposed standards will do nothing to reduce exaggerated threats from mercury and other air pollutants," write Soon and Driessein. "Indeed, the rules will worsen America's health and well-being — especially for young children and women of child-bearing age."

Subsidies and the NFL lockout

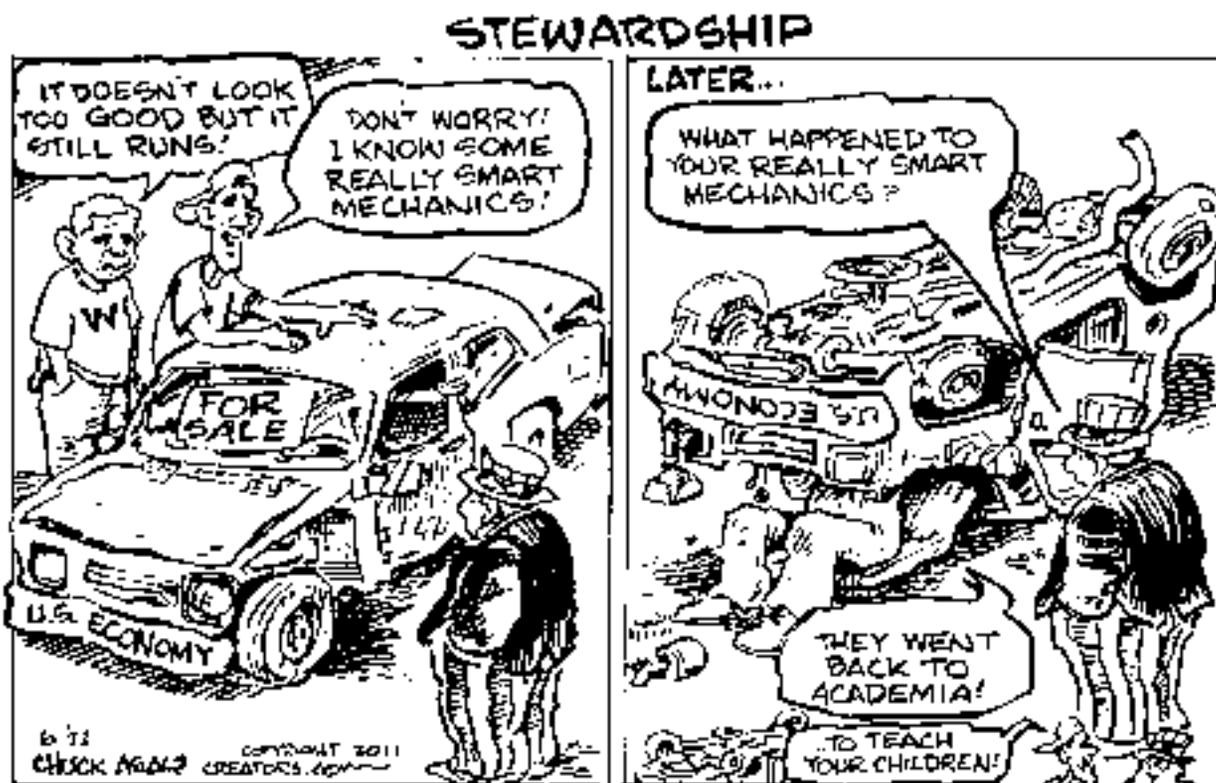
The National Football League and its players currently are engaged in a labor dispute which threatens the league's upcoming season. What often is overlooked, says Steven Malanga of Realclearmarkets, is the taxpayers' role in the dispute.

Through generous stadium subsidies and cartel powers granted to the NFL, Malanga writes, government has helped create the revenue increases that players and owners are now arguing over. In 1993, players gained free agency in exchange for a limit on the percentage of league revenues that go to players — a salary cap. This formula excludes certain types of revenues, including stadium-generated receipts.

Unsurprisingly, since 1993, owners have aimed to increase the money they take in from their stadiums. They typically built new arenas or upgraded existing facilities, often at public expense. Of the more than \$11 billion spent to improve 25 NFL facilities, half the money has come from public sources.

"Despite the public subsidies, owners now claim that the stadium building boom has ironically saddled some of them, notably smaller-market teams, with so much debt that they are squeezed and need a new deal from players," notes Malanga.

"If so, you have to wonder what the real value of an average NFL franchise, currently estimated at a whopping \$1 billion each, would be if the owners had to pay for all of their luxury palaces with their own money." CJ



Economic 'Isms'

In many ways it's a great time to be an economic educator. Almost everyone's interested in the economy. People are always approaching me — in the supermarket, the gym, and restaurants — and asking my opinion of what should be done to make the economy better. I'm flattered!

Conflicting policy prescriptions are offered by different groups. I won't solve these disagreements here. Instead, I'll review the economic philosophies behind the alternatives — along with their pros and cons — and let you decide which makes the most sense.

There are three major competing ideas about how to handle today's economy. Let me review the high points of each.

Keynesianism — named after the 20th-century economist John Maynard Keynes — has been the most dominant in the last 80 years. Keynes' idea was to use government to lean against the direction of the economy. That is, when the economy is growing rapidly and inflation is a threat, government would raise taxes and reduce spending to "cool off" growth. And when the economy is in reverse — that is, in a recession — lower taxes and more government spending is the cure.

We can see Keynesianism at work the last three years in fighting the recession. Tax cuts and additional federal spending (the "TARP" and stimulus plan) totaling almost \$2 trillion have been used to counter the downturn in private spending.

However, critics level two primary complaints against such Keynesian policies. First, they question their effectiveness. Critics contend funds collected and spent by the government always have alternative uses, and therefore any economic activity created by such spending is simply a substitute for other spending and jobs that would have been created elsewhere.

Second, they point out both parts of the Keynesian program aren't used. While spending increases and tax cuts are popular, the opposite — spending decreases and tax hikes — are harder to pass. Therefore spending and debt incurred by the government rise over time.

The main contender to Keynesianism is **mon-**

etarism, whose central premise is that money matters to the direction of the economy. In most modern economies, the country's central bank — the Federal Reserve in the U.S. — has substantial control over the amount of money in circulation. Supporters of active monetarism say in times of recession, the Federal Reserve should pump up the money supply to encourage lending and spending. If the economy is overheating, it should do the opposite.

Recently our Federal Reserve has followed the anti-recession prescription to the letter. Since 2008 it has added almost \$1.5 trillion to the nation's money supply. Supporters of the Fed's actions say that without that pump priming, a total collapse of the economy and the financial system was inevitable.

But not everyone is sold on this strategy. Simple logic suggests a potential problem — if money is printed at a rate faster than the products and services on which money is spent — then prices will rise faster. In other words, we'll get higher inflation. Fed critics say we're reaping this unwanted result today.

Libertarianism is both a political and economic philosophy, but I'll focus only on the economic aspects here.

Essentially, libertarianism rejects both Keynesianism and monetarism as ways to cure the economy, especially during recessions. At best, libertarians say, Keynesianism and monetarism provide only short-run benefits to the economy — "sugar highs," as some might call it. Eventually, the "high" will run its course, and the bitter aftertaste of higher debt, higher taxes, and higher inflation will take hold.

Libertarians offer policies to promote long-run economic growth, such as balanced budgets, simple taxes, and fewer regulations.

But libertarians have their share of opponents. Some say that before Keynesian and monetarist policies were used, the economy was marked by horrible recessions that lasted years. Yes, the economy would eventually recover in the long run, but, as Keynes said, "in the long run we're all dead."

So the gloves are off, and the bell has rung in the great economic policy match. Who will — and should — come out the champion? CJ

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

MICHAEL
WALDEN

UK and US: Still Close but Drifting Apart

I have just returned from the United Kingdom. By pure coincidence, I assure you, at the same time President Obama was enjoying just the second formal state visit by an American president in history.

Much of the talk during his stay swirled around the perceived demotion of Britain's relationship with the United States from "special" to, in the words of the president and Prime Minister David Cameron, "essential." The development brought about a great deal of anxiety on that side of "the pond."



ANDY TAYLOR

It is true Britain has a shared culture with the United States. That it has been America's most trusted military ally over the past 20 years is incontrovertible. But, as the changing description of the friendship implies, the two are drifting apart. Britain is now more focused on its place in the European Union. The past Labor administration increased nondefense spending to about 45 percent of GDP — for all levels of government in the United States it is in the low 30s. Britons might not like government as much as the continen-

tals, but they certainly like it more than most of us do.

The biggest difference I saw during my trip, however, was between the way Americans and the British view individual liberty. The United Kingdom is the home of great civil libertarians like John Locke and John Stuart Mill. They would be horrified by what is happening today.

The country's response to the accelerated immigration of the past two decades is a vacuous "multiculturalism" that categorizes people into ethnic, religious, and national groups and provides them with collective rights. The result is a fracturing of any national identity and a pervasive belief that, on issues of even tangential concern to minority groups, their interests should trump the public good. Modern Britain is surely as integrated as any place on the planet, but natives, Poles, Pakistanis, and Jamaicans eye each other warily on the bustling streets.

In France, by contrast, all citizens must be French. They must subscribe to certain values and practice a certain culture. It is inconceivable that anyone might want to display an individuality or lack of Frenchness and, for example, wear a veil as a demonstration of faith. As a result, such signs of difference must go — public schools have banned crosses, head scarves, turbans, and skullcaps for seven years now.

Whereas the British prefer tyranny of the minority, the French embrace the tyranny of the majority.

In the United States, we look at people for who they are: individuals. Citizens have rights not as members of a discernible group — whether racial, religious, national, occupational, or regional — but as citizens. For the most part, we judge people for what they have done rather than who they are. Like many other places, we don't always reward the most socially desirable behavior. But at least we generally recognize the importance of intelligence, industriousness, and character rather than skin color, social status, country of origin, and the willingness to conform.

Perhaps the biggest story during my time in Britain concerned the soccer player Ryan Giggs. Giggs' extramarital affair with reality-TV star Imogen Thomas was "tweeted" by someone in the know despite the fact that Giggs had gone to court and received a "super-injunction" — a "gag order" applied to the media rather arbitrarily and broadly in an effort to protect someone's identity. Giggs then sued Twitter and, even though everyone and his aunt knew he was the "anonymous" star in the matter, reporters still were prohibited from printing or speaking his name.

The whole thing was, of course, ridiculous. It also revealed another

interesting difference between the United States and United Kingdom — one that again did not flatter the British. Here we have a First Amendment, one that protects speech and press freedoms. It does not always work, but it does prevent legal creations like the super-injunction. Celebrities go into their fields fully understanding they will be the subject of scrutiny. Indeed, it's attention that makes them rich. An important facet of freedom of speech and press is that they hold public figures accountable. In the U.S., you can believe matters like the Giggs-Thomas affair are personal or trivial, but at least you're treated like a citizen and given the opportunity to make that choice.

Britain and America will remain allies. The United States has few, if any, stronger supporters. While in England you'll still get welcomed by strangers in a pub with a pint and great conversation. You'll still meet people with a cousin in Des Moines who just loved their Florida vacation. But there's no denying that the country I once called home is becoming increasingly different from the one I do now. CJ

Andy Taylor is a professor of political science at the School of International and Public Affairs at N.C. State University.

GOP-led NCGA Gets a B for First 100 Days

Within days of the November election that gave Republicans control of the General Assembly for the first time in over 100 years, the John Locke Foundation outlined 11 action items we hoped the leadership would address during the first 100 days of the 2011 session.

Lawmakers completed their 87th legislative day June 18, adjourning with plans for two more sessions: one for redistricting and another to consider constitutional amendments. They filed 1,721 bills. More than 400 became law. Some even addressed JLF's suggestions for action. Here's how I graded their performance:



BECKI GRAY

Repeal corporate welfare laws: F Corporate welfare programs continued with \$10 million to the One NC Fund. House Bill 751 added or expanded \$580 million in incentives. Politicians still don't seem to understand that government doesn't create jobs; the free market does.

Repeal S.B.3: C- Kudos to

Rep. George Cleveland for introducing House Bill 431 and Rep. Mike Hager for trying to move it through the House Public Utilities Committee. Senate Bill 3, the costly 2007 bill requiring 12.5 percent of energy to come from efficiency and renewable sources, has been hard to slow down.

End the N.C. Education Lottery: F Senate Bill 362 tried to shift more lottery money to school construction; it never gained traction. Expanding privately owned video sweepstakes and allowing table games in Cherokee casinos hit a brick wall as well. Since the lottery was enacted in 2005, legislators have gotten used to the revenue. Bets are we're stuck with it.

Prohibit forced annexation: A+ House Bill 845 guarantees property owners a voice and requires cities to pay for water and sewer infrastructure and provide services when forcibly annexing citizens outside city limits. After 50 years of abuse, this is a major win.

Pass a constitutional amendment to end eminent domain abuse: Incomplete Eminent domain bills must wait until the late summer session when more than 15 constitutional amendments will be considered.

Repeal taxpayer financing of political campaigns: Incomplete Senate Bill 47 repeals taxpayer-funded elections for three Council of State races and returns those funds to the General Fund. Taxpayer financing for judicial races remains as is. S.B. 47 will be taken up during the redistricting session.

Open the budget process with 72-5-10: A- Post bills for 72 hours: The budget was posted online for five days before the first House vote and six days before the first Senate vote. Five-year forecast: Legislative rules say fiscal notes should consider both the immediate effect and long-range effect of any spending. Ten percent in savings: Lawmakers set aside \$310 million in the state's savings funds in efforts to rebuild depleted savings accounts.

Put state spending online: F According to JLF's www.nctransparency.com, 96 percent of state agencies receive a D or F for disclosing how and where taxpayer money is being spent.

Resist federal encroachment on health care: A+ for legislature, F for governor Early on the Health-care Protection Act passed, exempting North Carolina from the liberty-

restricting mandates of ObamaCare. Gov. Bev Perdue promptly vetoed it.

Remove cap on charter schools, eliminate enrollment restrictions, and decentralize the charter authorization process: B+ Senate Bill 8 lifted the cap on charters and raised the enrollment cap to 20 percent per year. In addition, House Bill 344 provides tax credits for special-needs kids. Big wins for school choice.

Expand the pool of qualified teachers by removing barriers to state certification: A+ Budget provisions eliminated the early education certification requirement and let the State Board of Education grant waivers of state laws pertaining to certification requirements.

For their first 100 days, the 2011 legislature gets a B. It's going to take awhile to turn back a century of big-government policies, but this is a good start.

The John Locke Foundation will continue to suggest ideas to enhance the liberty and promote the prosperity of North Carolina citizens, just as we have for 21 years. CJ

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

State Seeks Economic Bump From Edwards Trial (a CJ parody)

By ANDY YOUNG
Tourism Correspondent

GREENSBORO

North Carolina cultural and tourism officials claim the federal trial of John Edwards for campaign finance violations might deliver a \$54 million economic impact to the state.

The state will be flooded with national and international journalists for a trial that may last several weeks, and officials believe regular tourists will come if they can watch the trial in an exclusive setting.

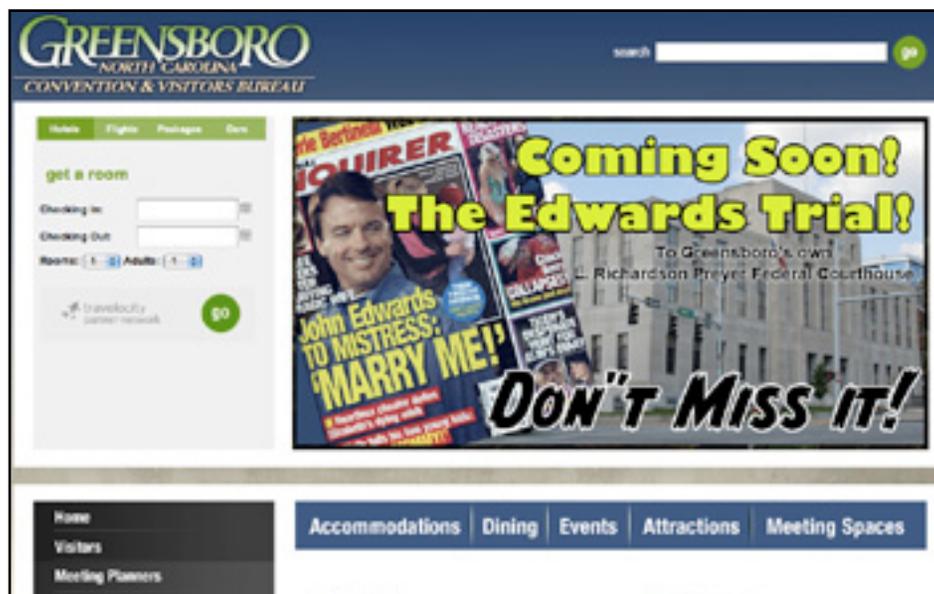
The trial will be held at the L. Richardson Preyer Federal Courthouse in Greensboro. Cameras are prohibited in federal court.

N. C. Cultural Resources Secretary Linda Carlisle, from Greensboro, told *Carolina Journal* that access to the courtroom would be limited to national and international journalists.

"But tourists have a right to see this show, so we are negotiating with the federal government for a big-screen viewing event — possibly at the Greensboro Convention Center," she said.

Most of the economic impact from court tourism will go to Greensboro-area businesses.

Edwards, who campaigned for president in 2008 on a theme of "two Americas," secretly had a second family of his own. He is charged with failing to report nearly \$1 million that two



The Greensboro Convention and Visitors Bureau's website is pulling out all the stops in its promotion of the John Edwards trial as a must-see event. (CJ spoof graphic)

wealthy political donors provided to hide his relationship with campaign videographer Rielle Hunter and the child he fathered with her. The *National Enquirer* exposed his secret life.

After a two-year investigation, a federal grand jury in the Middle District of North Carolina indicted Edwards June 3. He made his initial appearance the same day at the federal courthouse in Winston-Salem.

Edwards rejected a plea deal, said he did not violate any laws, and wants the case to go to a jury.

The Middle District has court facilities in Winston-Salem, Greensboro, and Durham. Middle District U. S. At-

torney Ripley Rand told *CJ* that the day after the indictment, he was ambushed by tourism delegations from all three cities. "They were all offering six-figure incentive packages to the federal government in exchange for becoming the host city for the Edwards trial," he said.

But Rand said the federal government could not accept incentives, and he didn't feel comfortable selecting the location. But, he said, since U. S. Sen. Kay Hagan, from Greensboro, had nominated him for the U.S. attorney position, she should be able to pick the location of the trial.

A spokesman for Greensboro-na-

tive Hagan acknowledged that she had "some role" in selecting Greensboro, but that the Department of Cultural Resources, the Commerce Department's Division of Travel and Tourism, and the Greensboro Convention & Visitors Bureau will collaborate on developing vacation packages for journalists and non-journalists.

According to a recent poll by Public Policy Polling, 38 percent of respondents selected Edwards as the "worst politician" involved in a sex scandal. Former President Bill Clinton came in second at 21 percent.

Former Sen. Larry Craig got 8 percent, former Rep. Mark Foley got 5 percent, and the other choices — former Sen. John Ensign, former Gov. Mark Sanford, former Gov. Elliot Spitzer, and former Rep. Anthony Weiner tied at 3 percent.

The Convention & Visitors Bureau hopes that the beginning of the trial would be scheduled Sept. 10, 2012, the Monday following the 2012 Democratic National Convention in Charlotte. This would make it easier to market package deals for delegates to attend both events.

"Some of these folks backed Edwards in the first place," a spokesman for the authority told *CJ*. "Since they're all from out of state, we figure if we can get them in North Carolina for one week, why not keep them here several more?" *CJ*

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