

**JLF's Agenda
2012 guides
policymak-
ers through
key issues/2**



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STATEWIDE EDITION

Anti-ALEC Campaign Ignores NCSL Similarities

Liberal groups have pressured corporations to pull sponsorships

By KAREN McMAHAN
Contributor

RALEIGH

In recent months, liberal advocacy groups have conducted a concerted attack against the American Legislative Exchange Council, the Washington, D.C.-based nonpartisan public-policy group created in 1973 that promotes federalism, free markets, and limited government.

The challenge, led by Common Cause, claims that ALEC has abused its 501(c)3 tax-exempt status under the IRS code by engaging illegally in "taxpayer-subsidized lobbying" for hundreds of bills in state legislatures across the country.

Common Cause filed a whistleblower complaint in April with the IRS. A month later, Common Cause sent a letter to North Carolina Attorney General Roy Cooper, asking the state to investigate ALEC's tax status. Common Cause also has used social media



President Obama, Vice President Joe Biden, and North Carolina Speaker of the House Joe Hackney at the National Conference of State Legislatures' Legislative Leadership Meeting in Washington, D.C., on March 20, 2009. (Image from YouTube: <http://bit.ly/MrgKJm>)

to encourage Facebook and Twitter followers to lobby corporate sponsors of ALEC to end their support.

Common Cause and its left-leaning allies have relied heavily on an analysis prepared by the Ralph Nader-founded Center for Media and Democracy accusing ALEC of relying almost entirely on corporate money and con-

servative foundations for its financial support — skewing its agenda to favor the interests of its donors — and being dominated by partisan Republican lawmakers. If ALEC is in actuality an organization that supports Republican candidates and Republican ideas, critics say, it should not get favorable tax treatment from the federal govern-

ment.

To bolster its arguments against ALEC, Common Cause and other left-leaning organizations have contrasted ALEC with a similar organization, the National Conference of State Legislatures, a Denver-based entity created in 1975 for the purpose of allowing state legislatures to collaborate on issues and lobby Congress when federal legislation can affect state governance.

But some of the concerns cited about ALEC's alleged lack of independence also could be lodged against NCSL, which receives the majority of its support from taxpayers, funneled through state legislative budgets, supporting an agenda that looks out for the interests of state governments. NCSL also has an allied foundation that sponsors events and legislator training, and the vast majority of its funding comes from corporations, public employee unions, and government-sponsored enterprises, including Freddie Mac and Sallie Mae.

Every state legislator automatically is enrolled in NCSL. Taxpayers from each state foot the bill for legislators' dues. Some states pay travel

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Lawmakers Conclude 2012 Short Session

Legislators make it two years in a row without tax increase

By BARRY SMITH
Associate Editor

RALEIGH

Lawmakers, fresh off the May primary elections, funneled into the state capital, made adjustments to the General Fund budget, bridged a gap in Medicaid funding, and showed they were not afraid to tackle controversial subjects in a short session.

For the second year in a row, the Republican-dominated General As-



sembly approved a budget without tax increases and sent it to the governor's desk before the beginning of the new fiscal year. Democratic Gov. Bev Perdue, who vetoed the budget last year only to have it overridden, had the bill on her desk for the last week of the fiscal year that ended June 30, after this issue went to press.

Republicans, who hold a supermajority of seats in the Senate,

appeared to have garnered enough support for the spending plan in the House to override a veto should Perdue choose to do so again.

The \$20.2 billion General Fund budget represented a 2.5 percent increase over the 2011-12 fiscal year budget.

The budget gave local school systems across the state \$143.3 million to reduce some of the adjustments they otherwise would have had to make. It offered teachers and state employees a 1.2 percent pay raise and gave universities and community colleges flexibility in how they distribute similar pay raises. State retirees would get a 1 percent cost-of-living adjustment.

Continued as "Lawmakers," Page 3

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Agenda 2012 Offers Road Map for Sound Policy

By CJ STAFF

RALEIGH

North Carolina's next set of elected leaders can boost taxpayers' job prospects, help educate their children better, and protect them from overly high taxes and burdensome regulations. The John Locke Foundation's new *Agenda 2012* Policy Report offers more than 100 recommendations addressing these and other critical public policy goals.

"During the 2012 campaign season, candidates for public office in North Carolina are faced with a daunting task: developing informed positions on dozens of public policy issues," said Roy Cordato, JLF vice president for research and resident scholar. "*Agenda 2012* is designed to help those candidates, with a series of recommendations that advance individual liberty, personal responsibility, and a free-market economy."

The latest in a series of *Agenda* reports published every two years since 1996, this year's edition offers more detailed analysis of a wider range of topics, Cordato said. "We have 35 separate issue entries covering about 66 pages of a more than 70-page document," he said. "We decided that it would be more useful to cover some issues with greater specificity than in 2010."

For example, JLF researchers have replaced a general discussion of tax reform with separate items on North Carolina's sales tax and personal and corporate income taxes.

"North Carolina should adopt a sweeping reform of its personal income tax," Cordato said. "The current rate structure should be collapsed into a single low, flat rate in order to diminish the bias against work effort and self-improvement geared toward income advancement. Meanwhile, the state should repeal the corporate income tax."

In addition to specific tax reform ideas, Cordato explores policies that promote economic growth. That's one piece of an *Agenda* section devoted to the state budget, taxation, and the economy. That section also addresses tax burdens, federal aid, unfunded government liabilities, and state spending restraint.

"Add a Taxpayer Bill of Rights amendment to the state constitution that limits annual state spending growth to no more than the projected growth of inflation and population," recommends Fergus Hodgson, director of fiscal policy studies. "The amendment should allow spending growth to exceed the cap only if approved by public referendum. Such a spending cap would halt four decades of government growth and better align the long-term interests of taxpayers to the short-run interests of politicians."

Nearly a third of *Agenda 2012* focuses on education-related issues, including public school finance, student achievement, school choice, early childhood education, and testing policy.

"The State Board of Education should reconsider adoption of the Common Core State Standards," said Dr. Terry Stoops, director of education studies. "North Carolina's adoption of the Common Core standards is a testament to the growing influence of the federal government in matters that traditionally — and constitutionally — have

been the responsibility of state and local governments. The General Assembly should approve legislation that protects North Carolina's curriculum and standards from undue federal intrusion."

Now that North Carolina has lifted its arbitrary cap of 100 public charter schools statewide, Stoops lists several other reforms to charter school regulations.

"Legislators should eliminate regulations that require charter schools to employ a minimum percentage of certified teachers," he said. "The state should permit successful charter schools to replicate themselves through a special review and approval process."

In a section devoted to government regulation, JLF experts urge lawmakers to expand regulatory reform efforts. *Agenda 2012* also recommends amending the state constitution to protect property owners from eminent domain abuse.

"As lawmakers increase property owners' protection against eminent domain abuse, they should prohibit property takings for economic development purposes," said Jon Sanders, director of regulatory studies. "They also should

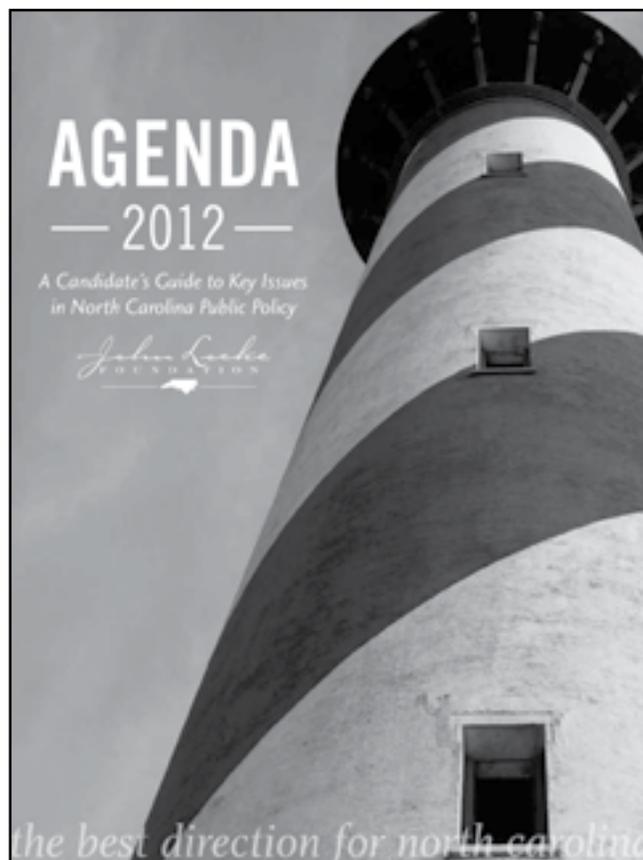
impose on government the burden to prove that a taking is for a public use, that a property designated as 'blighted' really is blighted, and that compensation for property takings is just. The concept of 'just compensation' should include relocation costs, attorneys' fees, and loss of business good will."

Topping the *Agenda's* list of environmental issues is a discussion of hydraulic fracturing — fracking — for natural gas in shale rock formations. "Policymakers should allow hydraulic fracturing and energy exploration in North Carolina," Sanders said. "State officials should study best practices in states that have worked through regulatory issues regarding fracking, but the state should not block a potentially strong source of job creation, energy affordability, and economic growth."

Researchers devote attention to health care reform, compensation for victims of North Carolina's eugenics-based forced sterilization program, privatization of government services, and transportation issues.

"Lawmakers should end state funding of rail transit projects and repeal the half-cent local-option sales tax authorization for rail transit," said Michael Sanera, director of research and local government studies. "Meanwhile, lawmakers should stop transferring funds from the state's Highway Trust Fund to its General Fund. While smaller amounts have been transferred recently, this practice diverts much-needed funds away from highway construction and maintenance."

Agenda 2012 focuses attention on many of the critical issues a new governor and state lawmakers will face when they convene in Raleigh in January 2013, said JLF President John Hood. "Too often, elected leaders try to solve problems by taking more money and freedom away from their constituents," Hood said. "This *Agenda 2012* offers dozens of ideas to address the same problems while preserving freedom and promoting individual liberty." CJ



Lawmakers Head Home After 2012 Legislative Short Session

Continued from Page 1

It lowered and capped the state gasoline tax at 37.5 cents per gallon (down from the current 38.9 cents per gallon), provided \$2.7 million for smoking cessation programs, and added \$274 million in Medicaid funding.

The budget also eliminated the position of Henry McKoy, an assistant secretary of commerce. McKoy was the focus of questions and media reports regarding his role in trying to direct public funding to a nonprofit he once controlled.

The compromise budget approved by the General Assembly included \$27 million to implement part of an education reform plan initiated by Senate President Pro Tem Phil Berger, R-Rockingham. Those include provisions to make sure children can read at a third-grade level before being promoted out of third grade, adding five days to the school instructional calendar, and providing merit pay for teachers.

Meanwhile, an attempt spearheaded by House Majority Leader Paul "Skip" Stam, R-Wake, to provide corporate tax credits for donations to private school scholarship programs garnered a bit of discussion, but had not passed a press time.

Lawmakers replaced an annexation-reform measure passed last year with one even more favorable to property owners after five cities filed a lawsuit — and won in Wake County Superior Court — overturning the 2011 law.

That law would have allowed involuntary annexation to stop the action if 60 percent of the affected landowners signed a petition to void the annexation.

This year's law required voters — not just property owners — in an area targeted for involuntary annexation to approve the annexation in a referendum. Perdue allowed the bill to become law without her signature, as she did the 2011 annexation reform bill.

A separate bill rolled back annexations in nine localities across the state.

Lawmakers also approved a bill tightening some of the provisions of the Racial Justice Act that was passed when Democrats had majorities in the General Assembly. Those changes, which opponents say gutted the act, primarily dealt with the use of statistical evidence to prove that race played a significant role in the imposition of the death penalty.

While statistics still can be used to further the case of a death row inmate claiming a racial bias, the new bill would limit the statistical analysis to the county or prosecutorial district where the defendant was sentenced to death. The original Racial Justice Act also had allowed for statistical evidence statewide or from the judicial division to be used in an attempt to show racial bias.

The bill passed the General Assembly by a veto-proof margin and was sitting on the governor's desk at press time.

The GOP-dominated legislature did override another governor's veto during the session. This one dealt with a bill giving community colleges the authority to opt out of a federal educational loan program for students if they so desired.

Lawmakers also voted to move ahead with hydraulic fracturing, more commonly known as fracking, as a means of drilling for natural gas deposits in portions of the state. Supporters and opponents of the controversial measure were waiting to see whether Perdue would sign the bill, veto it, or allow it to become law without her signature as the session drew to a close.

The bill did not pass the House by a veto-proof margin, and supporters weren't sure they'd be able to muster enough votes to override should Perdue veto the bill.

Previously, Perdue had voiced support for fracking, provided environmental safety measures were in place. But she hadn't indicated what action she would take on the bill.

The General Assembly also:

- Approved a new gambling deal between the governor and the Eastern Band of Cherokee Indians. This compact allows live gambling games at the Cherokee casino.

- Investigated altered letters from a top Department of Transportation

official regarding the need for funds for two toll projects — the Garden Parkway in Gaston and Mecklenburg counties and the Mid-Currituck Bridge on the Outer Banks. The Senate Rules Committee looked into the issue and was trying to decide whether to proceed with an investigation into the matter as lawmakers entered the waning days of the session.

While the General Assembly did make headway on a number of issues, some bills appeared headed for the trash bin as the session wound to a close. Those include:

- A bill compensating living victims of the state's decades-long practice of involuntary sterilization tied to eugenics, which ended in the mid-1970s. House Speaker Thom Tillis, R-Mecklenburg, pushed for \$11 million to set up a compensation program that would award \$50,000 apiece to victims of the state-run program. It passed the House but did not make it out of the Senate.

- A proposed constitutional amendment protecting property owners against eminent domain abuse, which passed the House in 2011, did not make it out of the Senate.

- A compromise bill regulating dental service organizations was pending in the House after a bill passed the Senate in 2011.

- A bill setting up an independent redistricting commission to redraw maps following the 2020 census couldn't garner any traction in the Senate. The House approved such a bill last year.

- The "chicken nugget" bill, exempting from child nutritional standards lunches brought from and taken to child care and prekindergarten centers, was approved by the Senate. The House did not agree to it. *CJ*



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Director of Research and Local Government Studies Michael Sanera's weekly newsletter, **Local Government Update**, provides analysis and commentary on North Carolina city and county policies based on their proper role in a free society.



Director of Education Studies Terry Stoops' weekly newsletter, **Education Update**, focuses on the latest local, state, national, and international trends in pre-K-12 education politics, policy, and practice.



Director of Fiscal Policy Studies Fergus Hodgson's weekly newsletter, **Ferg's Fiscal Insight**, offers pro-liberty perspectives on the latest research and news in taxation and government spending.



Director of Regulatory Studies Jon Sanders' weekly newsletter, **Rights & Regulation Update**, discusses current issues concerning regulations, rights, and freedom in North Carolina.

State Briefs

'Catch shares'

People concerned about declining North Carolina fish stocks should take a closer look at so-called "catch shares," a system that uses property rights to help protect a valuable resource.

In a recent John Locke Foundation Spotlight report, Jon Sanders, JLF director of regulatory studies, examined catch shares in response to growing concerns about North Carolina's offshore fishing stocks. "What you have is a classic case of the economic problem labeled the 'tragedy of the commons,'" he said. "When a scarce resource belongs to everyone, it will tend toward depletion."

A 2011 report from the N.C. Division of Marine Fisheries listed 12 groups of fish as viable or recovering, while stocks of another 13 fish groups raised concerns, seven groups were depleted, and the status was unknown for another seven stocks.

Giving fishermen property rights leads to many benefits, Sanders said. "Catch shares encourage a more discriminating harvest, in which younger and smaller fish are left to mature and reproduce," he said. "The process allows for longer fishing seasons, and allows fishers discretion to harvest in safe weather conditions, when market prices are higher, or when there's a pressing need to generate income."

Defining juvenile offenders

North Carolina should consider joining almost every other state in making the juvenile justice system the default destination for 16-year-olds charged with crimes. That's the conclusion two Texas-based criminal justice experts reach in a recent Spotlight report prepared for the John Locke Foundation.

"North Carolina is one of only two states that automatically send all 16- and 17-year-old defendants to the adult justice system, but concerns about deterrence, repeat offenses, the absence of education or training, and the potential for harm indicate North Carolina should reconsider its existing laws," said co-author Marc Levin, director of the Center for Effective Justice at the Austin-based Texas Public Policy Foundation and Right on Crime. New York is the other state.

Thirty-seven states set the maximum age of jurisdiction for their juvenile justice systems at 18, while 11 states set the age at 17, according to the report. CJ

Trials Delayed for Gov. Perdue's Associates

By DON CARRINGTON
Executive Editor

RALEIGH

The campaign finance trials of two associates of Democratic Gov. Bev Perdue likely will not take place until after she is out of office in January. Before any trial can be scheduled, the state appeals court first must rule on motions filed by both defendants.

Attorney Eddie Greene, who served as a judge on the North Carolina Court of Appeals for 16 years, is representing Trawick "Buzzy" Stubbs of New Bern and Julia Leigh Sitton of Morganton for the appeals court matters. Wake County District Attorney Colon Willoughby is prosecuting the two.

Stubbs and Sitton, both attorneys, were involved in Perdue's 2008 campaign for governor. A Wake County grand jury charged both with causing the filing of false campaign reports and felonious obstruction of justice. Willoughby maintains that the 10 aircraft flights that Stubbs paid for, reported by the Perdue campaign months after the election, amounted to illegal campaign donations.

Stubbs, a longtime political donor who primarily has contributed to Republicans, is the former law partner of Perdue's late former husband; his law firm maintains the name Stubbs & Perdue.

In the Sitton case, Willoughby maintains that she knowingly participated in an illegal arrangement in which \$32,000 of her salary as a member of Perdue's campaign fundraising staff was not reported as a campaign contribution.

The money came from Charles M. Fulenwider, a Morganton businessman who already had given the maximum donation to the Perdue campaign. The \$32,000 was funneled through a consulting business owned by Peter Reichard, who was Perdue's campaign finance director. Reichard entered a guilty plea to felony charges in December related to the money-laundering scheme.

In the first set of motions, attorneys for Stubbs and Sitton asked to have the charges dismissed for "improper venue." The motions cited a 1986 case in which the Court of Appeals dismissed charges against a resident of Wilson County who was indicted in Wake County for giving more than the legal limit to the Rufus Edmisten for Governor Committee.

The appeals court ruled that state law indicates an individual who is charged for campaign finance violations and is not a candidate must be charged in his home county. Because Stubbs lives in Craven County, Sitton lives in Burke County, and both were indicted by a Wake County grand jury, the motion says the charges should be dismissed.



Trawick "Buzzy" Stubbs at a May 11 hearing in Superior Court in Raleigh. (CJ file photo)

In the next set of motions, attorneys for Stubbs and Sitton ask for a dismissal because, they say, "the indictment does not adequately allege a crime as required by North Carolina law." Both motions say the defendants were indicted because they allegedly concealed information about campaign expenditures from the public that caused Perdue's committee to file false statements in violation of campaign law.

The motions argue that this violates no law. The "indictment presents the novel theory that a person [Stubbs or Sitton] with no obligation to file any report with [the State Board of Elections], and who in fact files no report with the SBOE, can be guilty of obstructing justice by not reporting certain information to the SBOE. Nothing in North Carolina law authorizes such an unprecedented theory of prosecution."

Attorneys for Stubbs and Sitton argued these points in May at a motions hearing in front of Wake Superior Court Judge Abe Jones. Willoughby disagreed at the time, saying that the obstruction of justice charge is appro-

priate and that as the capital city's district attorney, he has broad authority over election-related crimes.

The Stubbs trial in Superior Court was scheduled to start June 11, but Stubbs and Sitton filed motions with the appeals court seeking to have their cases thrown out. No date had been set for Sitton's trial.

Jones signed an order postponing the trials until the appeals court hears those motions.

Greene told *Carolina Journal* that he is in the process of assembling the complete case files. After he and Willoughby agree on the contents of the files, he will submit the material to the court some time in August. Normally, the appeals court then would put the Stubbs and Sitton cases on the court calendar for hearings six to eight months later.

Willoughby told *CJ* there is some possibility that the appeals court might decline to hear the motions, considering them premature because neither Stubbs nor Sitton has gone to trial. In that situation, the Superior Court trials would be rescheduled and likely take place this year. CJ

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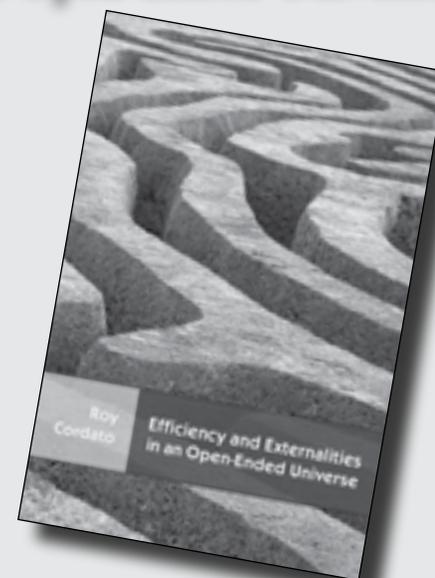
By Roy Cordato
Vice President for Research
John Locke Foundation

"Cordato's book is a solid performance, demonstrating impressive mastery of both the Austrian and neoclassical literature."

Israel Kirzner
Cato Journal

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Efficiency and Externalities in an Open-Ended Universe



Report: N.C. Lawmakers, Federal Bureaucrats Hinder Free Trade

Protectionist views are said to hurt state's economy

BY SAM A. HIEB
Contributor

GREENSBORO

North Carolina economic development officials continue to tout overseas trade as an avenue to lift the state from its economic doldrums. But some business owners and elected officials believe federal policy has become an impediment to the growth of exports in manufacturing, which had helped modernize the Tar Heel State's economy.

For starters, a recent Heritage Foundation report criticized North Carolina's congressional delegation for failing to support free-trade agreements that would help companies export their products. And business owners say federal regulations often hinder the ability of small manufacturers who make custom products for export from finding overseas buyers.

Heritage Foundation senior trade policy analyst Bryan Riley noted that on recent free-trade agreements with Panama, Colombia, and South Korea, at best the state's Congressional delegation split its vote, with only two members — Democratic Rep. David Price of the 4th District and Republican Sen. Richard Burr — voting in favor of the Korean trade agreement.

Riley calls North Carolina's delegation among the most protectionist in the country.

"The anti-trade posture of North

Carolina's legislators in recent years stands in contrast to the state's free-trade roots," Riley concluded in his report. "North Carolina's congressional representatives can best represent the interests of all of their constituents by rejecting protectionist policies and returning to the state's free-trade roots."

While North Carolina elected officials backed protectionism as a reaction to the decline in our core industries — textiles and furniture — Riley notes that the state exports many other products. Commercial engagement with other countries would boost those exports and the jobs they support.

North Carolina is the second-largest pork-producing state, for example, and demand will continue as countries such as China and India continue to develop.

State Agriculture Commissioner Steve Troxler has said the Chinese market "is among the fastest-growing in the world, and our farmers produce many commodities that the Chinese are looking to buy."

In fact, Riley notes that exports are responsible for more jobs than ever in North Carolina, with exports in 2009 totaling \$21 billion. During the past decade, the state's level of exports has increased by nearly 50 percent.

But voting for free-trade agreements is only one way to help North

Carolina businesses increase exports.

The U.S. House of Representatives Small Business Committee recently held a hearing on strategy for small business exports, focusing on the many bureaucratic obstacles companies face.

Among the business owners testifying was Thomas Crafton, president of Winston-Salem-based Thermcraft Inc., a manufacturer of high-temperature customized furnaces for manufacturers.

As the rest of the world continues to industrialize, the market is wide open for Thermcraft's products.

But Crafton told the committee "government agencies that regulate or promote exports are not set up to promote small business."

Crafton also told the committee that the U.S. Commerce representatives "have a set agenda and priorities, and if your objectives don't match that agenda, then you don't get the necessary assistance to accomplish your goals."

In a phone interview, Crafton said export programs are "structured a certain way, and if you don't fit that structure, then their help is less valuable."

Crafton cited as an example working with U.S. and state Commerce officials in Shanghai as he was further exploring the Chinese market.

Crafton said he went to Commerce officials hoping to learn the best places to do business, but instead officials were asking him for the same information.

"They were saying 'you tell us where you want to be, and we'll pave the road,'" Crafton said. "But we didn't even know those areas, and we didn't know where to begin."

"In general, it reinforces my belief that there is an awful lot of inefficiencies and bureaucracy. A private industry trying to operate like that wouldn't survive but about an hour and a half," Crafton said. Crafton added that communication was a problem.

"There is a fair amount of help if you know the right places to go to. The government surprisingly has a bunch of agencies. What isn't surprising is they don't talk to each other. If they could coordinate and organize, it would be a lot less confusing and a lot more user-friendly," he said.

Rep. Renee Ellmers, R-2nd District, sits on the House Small Business Committee. Based on the testimony of Crafton and other business owners, Ellmers realizes more needs to be done to help them improve the climate for exporting.

Through a spokesman, Ellmers said the Small Business Committee "has made increasing exports a key priority," noting that "businesses large and small have been suffocating from increased regulations and bureaucratic redundancies being enforced by the federal government."

Although Ellmers voted against the free-trade agreement with South Korea, she voted for the recent FTAs with Colombia and Panama, as well as the Securing American Jobs Through Exports Act, which reauthorized and reformed the U.S. Export-Import Bank, which she described as "an essential tool that helps to level the playing field for U.S. companies to compete in the international marketplace."

Two of Ellmers' colleagues on the Small Business Committee have sponsored further legislation to promote exports further.

Rep. Sam Graves, R-Mo., the committee's chairman, introduced legislation that — according to the committee's website — "will increase coordination between state and federal agencies to make the export process more efficient, while reducing duplication and wasteful spending of federal trade promotion agencies."

Rep. Scott Tipton, R-Colo., introduced the Transparent Rules Allow Direct Exporting Act, designed to "help small businesses enter new markets by better understanding foreign regulations."

Such legislation would be welcome news to business owners such as Crafton of Thermcraft, who no doubt is anxious to fix what he described as "kind of a disorganized mishmash in some cases."

And while he does not play down the efforts of legislators and Commerce officials, he and his fellow business owners are dealing with Washington, after all.

"There's a lot of potential in manufacturing, but the political climate right now in D.C. is not real conducive to that," he said. "I don't look for anything to happen quickly or dramatically."



Some are calling N.C.'s members of Congress among nation's most protectionist

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Anticipated Low Turnout Makes Runoff Races Unpredictable

BY DAN E. WAY
Associate Editor

They are heralding solutions to education woes, an anemic economy, joblessness, and illegal immigration, but Republican congressional and lieutenant governor candidates in North Carolina's July 17 runoff elections lament that their messages will not spark much voter turnout.

"Obviously, the expectation is that turnout will be very low" based on case history for second primaries, especially when there is no high-profile race at the top of the party ticket, said Andrew Taylor, professor of political science at N.C. State University. Voter turnout was a minuscule 1.8 percent in the 2008 runoff, and just 4.5 percent in 2010.

"That's the biggest challenge we face right now is just educating the people," said lieutenant governor candidate Dan Forest, echoing other candidates.

Republican voters statewide will choose between Forest and Wake County Commissioner Tony Gurley, both Raleigh residents, for lieutenant governor.

Congressional runoffs are scheduled in District 8, pairing Richard Hudson and Scott Keadle; District 9, former state Sen. Robert Pittenger and Mecklenburg County Commissioner Jim Pendergraph; and District 11, Mark Meadows and Vance Patterson.

Second primaries are scheduled when the lead candidate does not capture at least 40 percent of the first primary vote and the runner-up requests a head-to-head runoff.

National pundits are watching North Carolina's congressional races closely because redistricting likely will benefit GOP candidates. Taylor speculated the current 7-6 Democrat margin could veer to as much as a 10-3 Republican majority.

One-stop absentee voting began June 28 and ends July 14. Polls will be open July 17 from 6:30 a.m. to 7:30 p.m.

Lieutenant governor

Forest and Gurley are focusing on jobs and the economy. Both boast that their business backgrounds have prepared them for the job of presiding over the Senate, being a member of the Council of State, and being first in line of succession to the governor.

Forest finished first in the first primary, 62,000 votes ahead of Gurley. He said his training as an architect prepares him for executive leadership.

"We're visionaries, we're planners, we're creative thinkers and consensus builders," he said.

His campaign is "a three-legged stool," he said. "Jobs, jobs, jobs and the economy; education; and illegal immigration."

Forest would like to eliminate the corporate income tax, reduce the

gas tax, and create a personal income tax bracket for small business owners

"so we're not punishing them for creating wealth and creating jobs."

He said the biggest complaint he hears from voters is about illegal immigration.

"They want politicians to stop acting like it doesn't exist," Forest said.



Gurley

Gurley believes he has twin engines of business acumen and political know-how that qualify him for the job.



Forest

"My wife and I have owned our own pharmacy since 1994," Gurley said. "I have the background to help small business."

North Carolina "has many assets in education, universities and colleges, and we should be leading

the nation in economic development, not leading the nation in unemployment as we are doing now," Gurley said. He would help to cut red tape and bureaucracy that stymie businesses, he said. "People know I will be a conservative leader by my actions, not by my rhetoric."

Congressional District 8

Hudson won 10 of 12 counties in the first primary, besting Keadle 32 percent to 22 percent in what is considered a strong Republican district. The winner will face incumbent Democrat Larry Kissell.



Hudson

Hudson, of Concord, a former district director for ex-U.S. Rep. Robin Hayes and chief of staff for other congressional members, and Keadle, a dentist from Mooresville and former member of the Iredell County Commission, are in a barb-filled, knockdown, drag-out tussle.



Keadle

"I've seen what the economy does here in North Carolina, to my patients, my friends, my colleagues, and my own business, so I can take real business experience to Washington, D.C.," Keadle said.

"My opponent has been living off the taxpayers for 11 years in Washington, D.C. He has drawn more than \$1.2 million in taxpayer funded salary over the last 11

years in Washington, D.C., and yet he claims he's from here," Keadle said.

Hudson said as an Iredell commissioner, Keadle accepted money for the county from the Obama stimulus plan and voted to designate the entire county a recovery zone to attract more federal funds.

"It's really an integrity issue," Hudson said. "He's running as a fiscal conservative." Hudson said he never would support a bailout, giveaway, or stimulus program.

Hudson supports a balanced budget amendment. He would place sunset provisions on agencies and legislation requiring federal lawmakers to vote to keep them alive.

And bureaucracy needs to be curtailed, he said.

Keadle said as a congressman he would encourage domestic energy use and production, maintain a strong national defense based on peace through strength, defend families and the traditional values that made the country strong, cut spending, balance the budget, and enforce immigration laws.

Congressional District 9

Pittenger, of Charlotte, topped an 11-candidate field in the first primary with 32 percent of the vote. Pendergraph, also of Charlotte, got 25 percent.



Pittenger

The winner will face Charlotte Democrat Jennifer Roberts and Libertarian Curtis Campbell of Charlotte in the general election.

GOP incumbent Sue Myrick is retiring at the end of this term. This is considered a safe Republican district.

Like District 8, this is a lively contest, with accusations of negative attacks by both candidates.

"Robert has spent literally over a million-and-a-half dollars trying to paint a picture [of Pendergraph] that simply is not true," said Neal Harrington, Pendergraph's campaign manager. "We're not throwing mud. We're not running a negative campaign. We're simply telling the truth."

Pittenger disagrees. He said Pendergraph "had an onslaught of personal attacks on the radio. ... He's attacked me, he's attacked my wife, my deceased father-in-law," and is engaging in class warfare.

"He wants to make an issue of my success, like being a success is a bad thing," said Pittenger, who owns a real estate investment firm.

Pittenger said he prefers to talk about "how we need to return to open

and free markets. We need to remove the regulatory burden. We need to dismantle Dodd-Frank and ObamaCare, Sarbanes-Oxley. We need to simplify our tax code, make it more competitive." He says he supports the budget plan submitted by House Budget Committee Chairman Paul Ryan, R-Wisc.

Pendergraph, former sheriff of Mecklenburg County, "is probably most well-known for being so tough on illegal immigration," Harrington said. Pendergraph "is actually a huge proponent of the fair tax," he said.

Congressional District 11

Meadows, a real estate developer, outdistanced Patterson with 38 to 24 percent of the votes in the first primary.



Meadows

Incumbent Democrat Heath Shuler decided not to run after redistricting made the western spur of North Carolina a more favorable district for Republicans. Hayden Rogers, Shuler's former chief of staff, won the Democratic primary.

"We've got two Christian businessmen who are family men who are running for office because we want to reclaim the country," Meadows said.

"We agree on a lot of things, especially the social issues," Patterson said. "I'm very much against abortion, all forms of abortion. I think we ought to keep the name of God in our government and our workplace. I'm not a Libertarian. I see a need for government."

A self-described Tea Party Republican with a degree in economics who supports the fair tax, Patterson is a manufacturer who has started 16 companies. He seeks "lower taxes, reduced spending, less government regulation, and just stability so you can grow the economy. Business hates hearing an answer of maybe, and that's what we've had the past three-and-a-half years from our government."

Meadows, of Morganton, said his jobs plan "is one that will work extremely well to create jobs not only in western North Carolina but the country as a whole."

He is alarmed by "the attack on our religious freedoms, specifically by the executive branch," and dislikes presidential overreach, such as the measure authorized by President Obama "increasing de facto amnesty" for illegal immigrants. CJ

For more detailed information from all four races, visit <http://bit.ly/LLPmUi>.

Helms Center Program Teaches High Schoolers About Capitalism

By SIGNÈ THOMAS
Editorial Intern

RALEIGH
If there are any high schoolers out there who want to attend a summer camp that teaches free enterprise, fosters their understanding of entrepreneurship, and explains differences between capitalism and socialism, here's your chance.

A few openings remain for the 2012 Free Enterprise Leadership Challenge, a summer program for high school students hosted by the Jesse Helms Center Foundation at Wingate University.

FELC is a five-day summer program open to high school students who will be entering the 10th, 11th, or 12th grades. FELC seeks to teach students about free enterprise by fostering their understanding of entrepreneurship, the differences between capitalism and socialism, free-market economics, personal responsibility, the opportunities that the free-enterprise system has to offer, philanthropy, and ethical behavior in business.

During each of the summer sessions, students enter a competition in which they work in small groups to create a company. Throughout the week they market and advertise their product, and form a business plan — keeping accounting records and even paying taxes.

The first two sessions were held June 17-21 at Wingate University and June 24-28 at Northwood University in Cedar Hill, Texas. The remaining sessions are scheduled for July 15-19 at Campbell University in Buies Creek and July 22-26 at Northwood University's campus in West Palm Beach, Fla.

A few spaces remain for the July sessions. On acceptance, the registration fee is \$100, and that fee includes meals, on-campus housing, conference materials, a T-shirt, and program costs. The costs of the program are underwritten by donors. Students are responsible for their own transportation.

The student participants "learn by doing," says John Dodd, president of the Helms Center Foundation. The students "borrow money from a bank, and at the end of the week they tally up their profits," he says. The group with the highest profit at the end of the week wins the competition. "All the companies in the program have always made a profit," Dodd says. "They are set up so that they learn the profit motive."

Lindsay Hollandsworth, the programs and communications manager at the foundation, offered a few examples of businesses created in previous years: "Entertainment companies: [Participants] might run a movie in the evenings that students can attend. Students will host soccer or flag football games. Art companies: tie-dye T-shirts, [make] bumper stickers. Students sometimes sell concession items, snacks, and sodas."

Dodd says the students market their products primarily to each other. At the end of the week, they have the option of splitting profits between

their group members (and paying a 30 percent tax), or donating their earnings to charities. The students also have an option to invest their earnings in Kiva.org, a micro-finance website that invests in microenterprises around the world.

Dodd says his "learn-by-doing" model is a "firsthand learning model that I have found to always be the most effective." Other activities scheduled throughout the week include speeches, debate, and essay contests; lessons on marketing, production, business costs, profits, and taxes; and the importance of corporate philanthropy.

"We have trained them in the founding principles of our country. They get a copy of the Constitution and the Declaration of Independence when they arrive," says Dodd. For a more detailed description of a typical day of FELC, visit <http://www.jessehelmscenter.org/programs/felc.asp>.

The program "started in 1995, and now there are over 6,300 graduates from the program," Dodd says. "We've really expanded, going to Texas and Florida this year besides the sessions in North Carolina. We had [gone to] Texas last year as well. We've also worked with the [U.S.] State Department to do this in other countries, too."

"Many graduates go on to become activists," Dodd says. "One was president of Young Republicans at UNC, and another graduate has already created and sold his own business." Dodd says it is important to teach Americans the importance of free enterprise while they are young, and the high school years are a good age to do it.

For more information, contact the FELC program coordinator at (704) 233-1776, extension 8; or email Hollandsworth at Lindsay@JesseHelmsCenter.org. CJ



COMMENTARY

Kindergarten Hustle

It's a truism in education that high standards fuel rigor. Expect more; get more, or so the thinking goes. Such a view has spawned a years-long curricular "pushdown" requiring children to learn content and master skills once relegated to their older peers.

This drive for excellence is laudable and worthwhile; who could argue against wanting more from schools, teachers, and students? Yet our approach to accelerated learning is misguided, especially for our littlest learners. Rather than churning out prodigies, we're attenuating childhood.

Remember those halcyon moments spent sifting sand during center time in kindergarten? They're fading fast. Five-year-olds are hitting the books like never before, racing to read, write, and compute. A 2009 Alliance for Childhood study found that kindergartens in New York City and Los Angeles devoted two-plus hours every day to math and literacy instruction, and more than 20 minutes to testing and test prep.

Hands-on educators lament our overfull slate of early academic demands. In a 2009 survey of 229 kindergarten teachers by Patricia Gallant at the University of Michigan, almost all said standards were "developmentally inappropriate" for many students. First- and second-grade writing skills have trickled down to kindergartners, whose curriculum is "too academic" and creates "too much pressure," Gallant found. Kindergarten is indeed the new first grade.

The latest iteration of our academic pushdown, Common Core, only will exacerbate this culture of unreasonable expectations. Developed through a partnership between the National Governors Association and the Council of Chief State School Officers (and adopted by 45 states, including North Carolina), Common Core enumerates — through standards for every grade — the "knowledge and skills" kids need to succeed in college and work.

Though well-intentioned, Common Core is deeply problematic. Its implementation — rolling out as many states face imploding

budgets — may cost states more than \$15 billion over the next seven years, according to a 2012 Pioneer Institute report. And it smacks of a mandate: The Obama administration, while insisting Common Core participation is voluntary, nonetheless has tied federal funds to state adoption of the standards.

Yet Common Core's greatest impact likely will be on the napping and snacking set. For example, Common Core stipulates that children be able to "read emergent-reader texts with purpose and understanding" by the end of kindergarten. One first-grade teacher who has taught for 16 years told me that pushing 5-year-olds to read before they're ready is like forcing them to grasp for a rung on a ladder some simply cannot reach. It's a stressful, fragmented approach that leaves kindergartners with little energy for the things they should be doing, such as strengthening the "muscles of the mind."

A bevy of educators would agree. In 2010 hundreds of early childhood health and education professionals signed a joint statement detailing their "grave concerns" that Common Core standards were at odds with research about "how children learn, what they need to learn, and how best to teach them in kindergarten and the early grades." And in a recent *Education Week* commentary, Joanne Yatvin, past president of the National Council of Teachers of English, wrote that Common Core's standards "overestimate the intellectual, physiological, and emotional development of young children."

Why are we pushing kids so hard, so soon? It's time to halt our kindergarten hustle. Certainly, high standards are an essential component of any reasoned education policy. But when they're crafted without due consideration to the stages and constraints of child development, they do little good and a lot of harm. And they set kids up for stress and failure, right when they should be falling in love with learning. CJ



KRISTEN BLAIR

Kristen Blair is a North Carolina Education Alliance fellow.

Martin Board Refuses to Lease Vacant Building to Charter School

School board chairman says he opposes charters

BY SARA BURROWS
Contributor

RALEIGH

Newly created Bear Grass Charter School planned to open its doors this August in an abandoned high school building, but the Martin County Board of Education said the building is not for sale or rent.

Bear Grass High School has been closed since June 2010. It was consolidated with a high school in the neighboring town of Robersonville because of low student populations. Moreover, the Martin County school board said the building was unsafe.

Except for occasional community events, the school board has had no use for the high school, until about a month ago, when it announced it would like to turn it into an alternative school for a small group of children who've been expelled from traditional schools.

Bear Grass Charter School director Delmas Cumbee said the school board showed no interest in the building until his school expressed interest in buying or leasing it.

The charter school now is suing the school board, arguing that it is required by law to let the charter school lease unused buildings, unless "the lease is not economically or practically feasible or that the local board does not have adequate classroom space to meet its enrollment needs," neither of



Martin County school board chairman Gene Scott, on right, in this portrait of the school board on the school system website. (Photo from http://martin.sharpschool.net/school_board/)

which Cumbee says is the case.

Martin County Board of Education Chairman Gene Scott said the school board already has plans for the old high school building.

"We actually intend on using that building ourselves for a drop-back-in program — for kids that dropped out of school — an alternative program and another program that we're currently doing," Scott said.

"The building that we currently use, the rent has gone up on it, and so therefore there is no need paying rent for a building when we actually have a building there in the county we can use," he added.

Cumbee said there are only a "handful" of students in the alternative school program and that they probably

wouldn't even fill one classroom in the old high school.

"There has been no talk of using the school since it closed down two years ago," he said. "It's only been in the last month or so that they've started talking about putting an alternative school there."

But when Bear Grass Charter School requested to use the building a couple of months ago, Cumbee said the school board notified him "the building was not safe, that it was not fit to be a school. That was

one of their reasons for consolidation."

While the school was built in the 1920s and could use a fresh coat of paint, Cumbee says he has no doubts about its safety. He just wishes the school board members would make up their minds about it.

Charter backers say plans to use the school came after the charter expressed interest

"Honestly, they just don't want us to have a school there," Cumbee said. "The chairman of the Martin County Board of Education has been quoted as saying that he does not recognize charter schools as public schools."

Scott confirmed this in an interview with *Carolina Journal*.

"I oppose any kind of charter school, because I am a man of public education," he said.

"Charter schools take away funds from the local school," Scott said. "Plus, we are in a very small county. We had two high schools that we consolidated, and the two schools [were] operating very well and we just didn't see [any] need for a charter school to be coming to the county."

"And the guidelines for charter schools are nowhere around as stringent as they are for public schools, so we feel they have an easier road to travel," he added.

Cumbee thinks Scott and others on the school board see charter schools as a threat. If Bear Grass Charter School is successful it will make traditional schools in the area look bad by comparison, he said.

Bear Grass' charter was approved in March, shortly after the General Assembly lifted the statewide cap on charter schools.

Bear Grass board members filed a lawsuit against the Martin County Board of Education June 20. Cumbee said it is against the law for the board to withhold access to a building it's not using. He expects a ruling in July.

Either way, the school is set to open Aug. 27, if not in the old high school building, then in temporary modular units. *CJ*

Visit our Wilmington regional page

<http://wilmington.johnlocke.org>



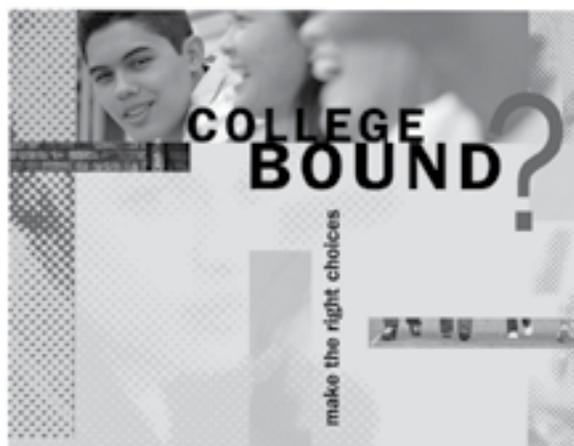
The John Locke Foundation has five regional Web sites spanning the state from the mountains to the sea.

The Wilmington regional page includes news, policy reports and research of interest to people in the coastal area.

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Candidates Battle Over State vs. Local Control of Schools

Tedesco or Alexander will face incumbent Atkinson in November

BY SARA BURROWS
Contributor



Candidate John Tedesco in a photo from his campaign site tedesco4kids.com.



Candidate Richard Alexander in a photo from his campaign Facebook page.

Conservative school board member John Tedesco's fight to end forced busing in Wake County made national news. In his three years on the board, he's helped slash nearly \$100 million from his district's budget, replaced 56 school administrators with eight and implemented merit-based pay for teachers. But special-education teacher Richard Alexander says he can do better than that if elected state superintendent.

Alexander, a Republican from Monroe, said he would like to shrink the size of the state Department of Public Instruction by between 40 percent and 60 percent, and ultimately he'd like to eliminate the top job.

Alexander challenged Tedesco to a runoff after earning 24 percent of the vote in the Republican primary for the office of state superintendent May 8. Tedesco got 28 percent of the vote. The runoff election will be July 17.

Alexander said he'd like to fire a good chunk of the 800 employees at DPI, and when he's done with that he'd push for a constitutional amendment that would end the elected superintendent position.

North Carolina is one of 38 states that have adopted federal Common Core curriculum and testing standards, Alexander said, so all of the curriculum and test writers at DPI are redun-

dant. After eliminating those and other administrative positions, Alexander would like to grant local boards of education the power to write a local curriculum that works for their districts.

Next, he'd like to outsource things like teacher certification and licensing, lawn maintenance, and janitorial service to private businesses.

Finally, he would support a constitutional amendment that would do away with his own position. In place of an elected superintendent, he'd like to see a governor-appointed secretary of education position created.

Tedesco criticized the idea of eliminating the elected position of superintendent, comparing it to Gov. Bev Perdue's attempt to appoint an "education czar."

"I want to be able to hold accountable the person in charge of my kids' education," Tedesco said. "When you have an independent, elected superintendent, they can actually stand up and call out our state school board or our governor when they set an agenda that's not right for our kids and not have to worry about getting fired."

But Alexander said the hypothet-

ical secretary of education would not have policymaking authority.

"That position would be to be the liaison between the 115 school districts and charter schools and the governor, to gather information and keep the governor informed about what's going on, seeing as the governor has the ultimate responsibility for education in North Carolina," Alexander said.

The education agenda would be set mostly by the local boards of education, with the State Board of Education setting general policy, he said.

Tedesco also criticized Alexander's plan to cut DPI's \$350 million budget by at least 40 percent, calling it unrealistic.

"I've cut a little over \$100 million in waste in Wake County, and I would do the same thing at DPI, but you have to do it smart," Tedesco said.

He said it wasn't wise to cut state curriculum writers, arguing without them students would be left solely at the hands of the federal government.

"I want our curriculum people to evaluate, monitor, and watch every little thing they try and sneak into our curriculum," he said.

While Alexander is no supporter of the U.S. Department of Education, he said it writes North Carolina's core curriculum. This makes our state curriculum writers duplicative, in his view.

Still, Tedesco argued, DPI needs to be strengthened, not weakened, so it can serve as a "strong firewall to encroaching federal agendas."

Tedesco also said that DPI's budget "is just the tip of the iceberg." A better place to focus budget-cutting energies, Tedesco suggested, would be the "hundreds of millions of dollars" of fraud and waste in federal programs that DPI implements, including after-school programs.

For his part, Alexander said he'd do more than cut fraud and waste. He'd eliminate the programs altogether.

"It's going to be very painful, but we need to stop taking [federal] money," Alexander said. "Every time we take the federal dollars, we end up having to spend more of our own, because their programs always have strings attached, and they become unfunded mandates."

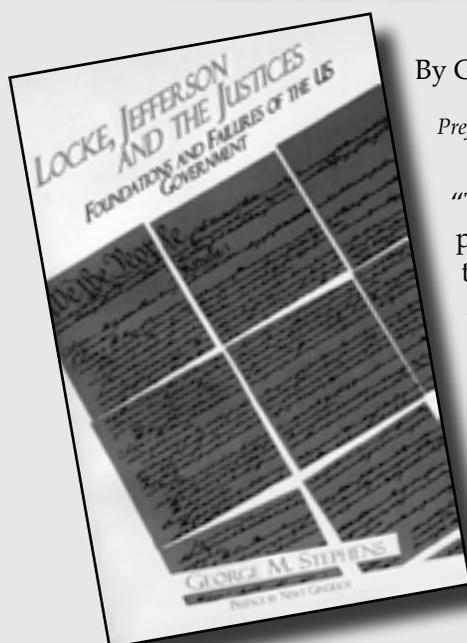
"They'll say we're going to pay for this program for two years, but you've got to carry it for four," he continued. "Every dime we take from the federal government costs us twice as much to implement."

Alexander called Tedesco's desire to strengthen DPI and the position of state superintendent "not conservative."

"I believe in less government and more community and more citizen control," he said. "I believe the best government is the lowest level of government." CJ

Locke, Jefferson and the Justices:

Foundations and Failures of the U.S. Government



By George M. Stephens

Preface by Newt Gingrich

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

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

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Town and County

Winston-Salem property tax

In recent years, Winston-Salem's economy has changed dramatically. One result is that the property tax burden is falling increasingly on residential property owners, reports the *Winston-Salem Journal*.

"We've replaced tobacco and textiles with hospitals," said Dudley Watts, the Forsyth County manager. "Our growth industries now are the ones that don't have to pay property taxes and get a refund on sales taxes. Unless we look at it and change our tax structures, how are we supposed to keep doing what we're doing?"

An analysis by the newspaper of property records showed that in 2011, 69 percent of the value of taxable property in the city was residential. By comparison, in 2001, residential parcels made up only 54 percent of the city's tax base.

The city's two large hospitals, N.C. Baptist Hospital and Forsyth Medical Center, save about \$14.3 million a year in property taxes thanks to their nonprofit status. Of that amount, \$5.9 million would have gone to the city and \$8.4 million to Forsyth County. The hospitals received a refund of a combined \$4.6 million in local sales taxes.

Downtown tax district?

The Asheville City Council has put off a vote on whether to create a downtown business improvement district, in which higher property taxes would be levied to provide extra services. The controversial issue is now scheduled for a vote in late September, reports the *Asheville Citizen-Times*.

Under the proposal, the tax rate for the business improvement district would be 7 cents for each \$100 of valuation. The money would be used for trash and graffiti removal and perhaps for increased public safety.

One concern is the effect the tax would have on individual businesses in the downtown area. Proponents argue that the business improvement district would improve sales for downtown merchants. Opponents argue the tax would be a hardship for businesses and would tend to drive out smaller, locally owned companies.

In an attempt to address concerns about the impact of the tax district, the proposal includes a sunset provision. *CJ*

Wake Decision Puts Bus/Rail Plan in Limbo

By DAN E. WAY
Associate Editor

RALEIGH

Wake County's decision not to put a half-cent sales tax referendum on the Nov. 6 general election ballot "is troubling" to Durham County officials, and will affect how they move forward with a tri-county regional transit plan featuring a mixture of light rail and expanded bus service.

"We'd not said we'd [move forward] if Orange approved it or if Wake approved it. The only thing we said is we would not do it until the other counties had a referendum," said Durham County Manager Mike Ruffin. "Our board would probably wait until Wake decides" before moving ahead on Durham's component of the transit plan.

Durham voters approved a half-cent sales tax last November, but the county will not impose it until the other counties vote. The Orange County Board of Commissioners voted in early June to place a half-cent sales tax referendum before voters in the November election.

4-3 party-line vote

But on a 4-3 party-line vote, Wake's majority GOP commissioners voted June 18 not to continue the process required to get the tax on the ballot this year.

Under the fastest timetable, the full rollout of light rail remains more than a decade away. The Wake commission's decision may have scuttled that schedule.

"Wake's still holding out is troubling," Ruffin said. "My position would be let's wait for Wake to decide one way or another" before moving forward with the plan.

However, he said, the county could choose to collect its tax while waiting for Wake's referendum.

"If Orange approves it, based on what our board said, it certainly could be discussed," Ruffin said of levying the tax.

But downsizing the project to two counties would pose complications.

"Our transit plan assumes three counties ... are going to be working together," Ruffin said.

Even if Orange County voters approve the sales tax, it "still would require some reworking of our transit plan," Ruffin said.

When Orange County Commissioners voted June 5 to place the sales tax on the ballot by a 5-2 vote, the dissenting commissioners voiced similar comments. They unsuccessfully argued that without Wake in the mix, the plan was no longer a superior regional approach to mass transit, and that too many uncertainties and unfinished agreements remained to push forward.



Wake County's decision not to put a sales tax for transit on the ballot for November means that the citizens of Durham will, at least for the time being, have to be content with its current transit options, among them this free bus service that runs a loop around downtown Durham. (CJ file photo)

In the worst-case scenario, Ruffin said, "If both [Orange and Wake] put it on the ballot and both failed, our board would discuss what we would want to do in Durham and what is feasible."

Durham could collect enough from its tax to run commuter rail to Research Triangle Park during peak commuter hours and launch some expanded bus hours, but it would be a "very small-scale, abbreviated implementation of our original plan," Ruffin said.

"I don't know whether that's the right thing to do or the feasible thing to do," he said.

Ruffin supported Wake County's desire to study the transit plan further.

Complex plan

"What I see going on in Wake is very healthy" with bipartisan debate because the plan is very complex, he said.

Even with an all-Democrat board, "It still had a lot of debate here before it saw the light of day, and, I think, deservedly so," Ruffin said.

Before the Wake commission's vote, Wake County Director of Elections Cherie Poucher told *Carolina Journal* she had cautioned commissioners against placing the referendum on the ballot.

"We don't have room on the ballot spacewise ... because of the number of contests that are on the general election ballot," Poucher said.

Printing a second ballot would cost \$150,000 and likely would create confusion for both poll workers and voters, Poucher said.

Precinct workers would require extra training, more workers would have to be hired to handle the addi-

tional workload of two ballots amid already heavy turnout for the presidential election, and it is unclear if the software system is capable of reconciling two ballots locally and with the state's tabulation system, Poucher said.

Not a 'fatal blow'

David King, Triangle Transit Authority general manager, was discouraged but not surprised with the Wake vote and said it is not a fatal blow.

"We'll continue to work with Wake County to resolve any questions when the commissioners decide to finally take the issue up. We're trying to be as flexible as possible as these counties move along with these" votes, King said.

Should the transit plan get all the necessary approvals, some new bus service could be launched in four to six months, he said.

Plans in all three counties are similar — launching all new bus routes within three to five years, during which time plans would proceed for the light rail portions to identify environmental and public impacts. Meantime, preliminary engineering to select best routes would commence.

A federal full-funding agreement is expected to be negotiated in the early 2020s, with a 2023 start date for construction.

"Sometime roughly in 2026 ... the ribbon would be cut and the service inaugurated" for light rail, King said. "In the meantime, we would hope that development decisions would be made by both the public and private sectors" to fill in commercial, retail, and residential additions along the rail corridor, King said. *CJ*

Court Paves Way For More Personal Injury Lawsuits

By MICHAEL LOWREY
Associate Editor

RALEIGH

Four years ago, the General Assembly limited a key defense the state has against citizen lawsuits claiming that a government action failed to protect an individual against harm. The state's highest court recently determined that the 2008 law also covered claims that were filed before the revised law passed.

In 1991, the N.C. Supreme Court first recognized the public duty doctrine — the principle that in a dispute involving personal injury, the government has a duty to protect the public at large but not any specific individual. The court has addressed its applicability four other times since then.

In 2008, the General Assembly codified the high court's determination that residents could not sue for the police's failure to protect an individual or the state's failure to



perform health or safety inspections required by law. At the same time, the General Assembly specified that the public duty doctrine would not apply in all other instances of the state's alleged failure to live up to its duty.

On Aug. 31, 2002, Mickela Nicholson and the three passengers in her car were killed in an accident on a state-maintained highway in Johnston County. The estates of Nicholson and two of the passengers sued the N.C. Department of Transportation, claiming that it was negligent in designing and executing the narrowing of the road from three lanes to two. The estates also contended that DOT had failed to inspect the highway, thus allowing an eroded portion of the highway to go unrepaired. This erosion caused Nicholson to lose control of her car, resulting in the fatal accident.

For its part, the state contended that the suits were barred by the public duty doctrine. A divided three-judge panel of the N.C. Court of Appeals determined the public duty doctrine did not apply to the estates' suits.

The Supreme Court had to interpret the intent of the General Assembly in adopting this provision. The law took effect Oct. 1, 2008; should it apply only to claims arising after that date or should it also apply to events that occurred before then?

The court had to decide whether the new law, which amended the State Tort Claims Act, altered or merely clarified existing law. If the General Assembly had clarified existing law, then the provision would apply to claims that arose before the amendment's effective date. If the legislature had instead altered existing law, then the provision would apply only to claims that arose after the date the new law took effect.

A majority of the Supreme Court's seven justices held that the intent of the General Assembly was to clarify existing law.

Writing for the court, Justice Paul Newby noted that the amendment merely explained how the public duty doctrine applied to claims under the State Tort Claims Act.

That the new provision codified most of the Supreme Court's holdings to date also suggested that the new provision was a clarifying amendment.

"Because the legislature left essentially all our pre-amendment cases intact, there has not been a complete change in the law but instead only an explanation of the limited role of the public duty doctrine," wrote Newby.

In the majority's view, all three of the estates' claims could proceed to trial.

Chief Justice Sarah Parker and justices Robin Hudson and Patricia Timmons-Goodson disagreed with the majority's reasoning, with each authoring a dissent.

"To avoid the result compelled by our precedents, the majority has endeavored to superimpose the amended Tort Claims Act — and thus a more limited form of the public duty doctrine — upon claims that antedate it," wrote Parker.

Parker argued that the provision altered the law by eliminating a common law doctrine that was not mentioned in the original version of the STCA.

Timmons-Goodson was concerned about the impact the majority's opinion might have in the future.

"While we may not have these plaintiffs before us again, we will certainly employ this canon of construction in the future," she wrote.

The case is *Ray v. N.C. Department of Transportation* (28A12-1). CJ

COMMENTARY

Public Needs Vs. Public Wants

Cities and counties have just finished up their annual budget process. Throughout, several key points are worth mentioning. North Carolina remains in dire economic times. Unemployment is still holding close to the 9.4 percent rate and is one of the worst in the nation. Tax revenues are down, revaluations are down (especially along the coast), and one-time stimulus funds from the federal government are gone.

Rather than gravitate toward more fiscally sound decisions, some local governments have started becoming more desperate, often looking at projects on their wish list rather than their need list.

Niagara Falls, N.Y., is the most prominent recent national example. Seeing its population and economic fortunes in steep decline, its leaders decided to pull an economic development publicity stunt and allow a Wallenda to cross the falls on a tightrope, a stunt not performed in more than 100 years. The spectacle was broadcast nationwide, but it won't solve their fiscal woes in spite of the success of the event.

In contrast, Charlotte recently agreed to move one of the worst-performing teams in the AAA International baseball league from Fort Mill, S.C. They cobbled together a taxpayer-funded plan that utilizes \$8 million from the city (\$7.25 million from hotel occupancy taxes and \$775,000 from a booster organization in the city). Mecklenburg County also is chipping in another \$8 million from taxpayers. The stadium is expected to cost upwards of \$54 million.

Republican City Councilman Andy Dulin rationalized his support for the plan by noting that property taxes weren't used. The four votes against it were all Democrats. The operant question, most often ignored, is whether government should be doing this at all. It's a want, not a need.

Wilmington, whose regional unemployment is higher than the state's, passed a 20 percent increase in its property tax rate this year. The city already has committed its room-occupancy tax to a convention center that is designed to lose money. And over the past year it has been courted heavily by Atlanta Braves/Mandalay Management to

build a new \$37 million-\$42 million baseball stadium to house a single-A baseball team being moved from Lynchburg, Va.

During the spring, the council was eager to get private money involved, and the Flywheel/Trask private development group was formed for that very purpose. But the deal was a terrible one. The group offered to build the stadium and pay property taxes on it if the city would hand them 70 percent of the estimated costs to build it.

In the end Flywheel/Trask simply withdrew from the legally shaky deal. Then, in June, the city decided to spend more than \$160,000 on a consultant to show how a stadium could be built using \$17 million from the city, \$8.2 million from "additional government" funding, \$400,000 in property taxes, and millions in private-sector money.

The city's obligation in that scenario would be \$17 million, with a total of \$42 million for the stadium.

The county has said emphatically that it isn't interested, so the \$8.2 million is off the table. If the city builds it, there are no property taxes available, and to date there is no other group offering to make up the remaining money. Even worse, the \$42 million does not include interest, which makes the overall cost approach \$100 million over 20 years. And this is for a stadium that seats only 3,552 spectators.

The council didn't flinch, and it obligated an additional \$310,000 in property taxes to study the issue further. During this time, council has avoided or ducked media questions entirely.

Baseball stadiums are nice amenities, but they are not needs. By contrast, Sandy Springs, Ga., has focused its efforts on privatizing virtually all aspects of city government, save for its manager, police, and fire department. Quality of life is up, unemployment is down, and the city just cut another \$7 million from its budget this year because it is focusing on what it should be doing, not what it could be doing. CJ



CHAD ADAMS

Chad Adams is host of "Mornings w/Chad Adams on the Big Talker FM," a former vice president of the John Locke Foundation, and a former Lee County commissioner.

Tensions Fester Between Hunters and Landowners Over Dogs

By SIGNÈ THOMAS
Editorial Intern

RALEIGH

A battle simmering between landowners and deer hunters who use dogs shows no signs of easing. Landowners believe that deer-dog hunters are infringing on their property rights because they have little recourse if hunters let dogs run loose on their land.

Current state law (the Landowner Protection Act) states that in order to hunt on properly marked private property, the hunter must carry a card with the written permission of the landowner. However, this prohibition on trespassing does not apply to the hunters' dogs.

Western counties have banned hunting with dogs, while eastern counties have allowed it, under conditions spelled out in county ordinances. The line splitting the east from the west commonly is referred to as "the Dog-Deer Line."

In 2009, the Pasquotank County Board of Commissioners asked the General Assembly to outlaw all hunting on private property unless the hunters have written permission from the landowners. That resolution went nowhere, and in February 2011 the Pasquotank commissioners rescinded that request.

Elizabeth City resident Doug Lane pushed for the 2009 resolution and urged the county board to stick with its earlier decision. "North Carolina needs to have hunting rules that apply to the entire state," Lane said. "Local ordinances vary so much that it is difficult for a hunter to keep track of the laws."

Lane sees Georgia as a model for North Carolina to emulate. In 2003, 41 Georgia counties allowed hunting with dogs; six of them strongly considered banning the use of dogs. A hunter responsibility act passed that year, regulating dog hunting with a revocable permit system and revocable dog hunter license. Since the law's enactment, the six counties considering a ban have continued allowing dogs in hunting. There have been no complaints lodged at the state level by frustrated landowners, leaving some wondering if this approach would work in North Carolina.

Henri McClees, executive director of the North Carolina Sporting Dog Association, does not favor the Georgia plan. She says several differences between Georgia and North Carolina would make the plan unworkable: Georgia is more urban and has fewer areas for hunting; North Carolina has the dog-deer line in place; and this state has the Landowner Protection Act.

NCSDA also rejects the Georgia plan because the legislature "delegated all the regulations for hunting to a separate [regulatory] body," the Department of Natural Resources, McClees said. "We don't think that is a good



The Landowner Protection Act keeps hunters off private property, but not their dogs. (CJ file photo)

idea." She believes that elected officials are more accountable to constituents.

David Cobb, head of the Division of Wildlife Management within the North Carolina Wildlife Resources Commission, states that while "Georgia DNR has the authority to regulate deer hunting with dogs, the Wildlife Commission does not have the authority in North Carolina, east of the 'Dog Line' that has been retained by the legislature."

In order for the North Carolina statute to apply to the hunting dogs on private property of landowners, it would "either have to be done by the legislature, or the legislature would have to delegate the authority to our agency, and then we would have to make any changes through the rule process."

In the eastern counties that allow dog-deer hunting, there are no local laws that completely ban deer hunting with dogs. "A total ban is the best solution because it is easy to enforce," Lane said, but "I do not think [a ban] is fair to those hunters that hunt responsibly. A compromise that allows them to hunt yet protects my property rights is needed statewide."

McClees says there is tension particularly in the counties where the dog-deer line falls in the middle of a county. She says that the Landowner Protection Act "was a big cooperative effort from people on both sides of the issue."

Landowners also take issue with the fact that they must post signs or paint trees on their property before the Landowner Protection Act applies.

You must "post your land with signs or with purple paint," McClees says. Some landowners complained that hunters were removing signs from trees; painting them offers a more permanent and identifiable way to des-

ignate property that is off-limits for hunting.

Lane has drafted a hunting ordinance that he would like implemented in Pasquotank County. It has several key differences from the Landowner Protection Act: It would be unlawful for a hunter to "release hunting dogs that go on the land of another" without written consent of the landowner, and it would make trespassing a Class 2 misdemeanor for both humans and dogs, punishable by imprisonment and fines. The ordinance is specified to be "complaint-driven," meaning that no arrests can be made without the consent of the landowner.

Lane's draft also calls for a change in the regulation regarding the post-

ing of private property: "Landowners are not required to post their land for this ordinance to be enforceable." The final piece of Lane's draft calls for each hunting dog to wear a collar with a tag that states its owner's name, address, and phone number.

McClees thinks there's nothing wrong with the current Landowner Protection Act. "We've heard very few complaints since the enactment of [the law]," she said. "So far, we've been pleased with the results."

McClees also doubts a new law would solve the trespass problem. "I'm not sure [the dog problem] can be solved with legislation," she said. "I don't want to see us only relying on legislation to resolve problems among neighbors. I tell hunters, 'Get to know your neighbors. Ask if they have any complaints. Try to rectify the situation; don't get into arguments; try to work it out.' What I want is better relationships between [the] people that have been there and people that are moving in."

McClees adds that some landowners who are new to certain areas also take issue with the noise that the dogs make, even when the dogs aren't on their property.

Lane's frustration comes from more than just noise. "Land-use changes and population growth have made it very difficult for this sport to continue without negatively impacting others," he said. Lane says while there are good hunters, there are also bad hunters, and he has had firsthand experience with anonymous hunters who have threatened him.

"They have waged a low-level conflict on me for over 20 years," he said, adding that a Pasquotank County deputy once told him that "someone is going to get killed over this issue." CJ

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Common Cause's Anti-ALEC Campaign Ignores Similarities With NCSL

Continued from Page 1

expenses, often including expenses of spouses. In 2010, NCSL's general fund was \$16.8 million, with state legislatures providing nearly \$10 million of the total. Private foundations, federal agencies, and NCSL publication sales provide most of the remainder of its revenue.

In 2009, ALEC's revenues were \$6.3 million, with about 1 percent coming from legislators' dues, and the remainder from corporate donations and grants from foundations and individual supporters.

Tar Heel taxpayers paid \$163,994 to NCSL in registration fees, not including travel expenses, from 2007-11, according to figures provided to *Carolina Journal* by Wesley Taylor, controller for the North Carolina General Assembly.

Over that period, North Carolina's annual fees averaged \$24,783, but jumped to \$64,860 in 2008, the year then-House Speaker Joe Hackney, D-Orange, was inducted as NCSL's president for a one-year term starting in July 2008. Hackney is the current House minority leader. He is not seeking reelection to the General Assembly.

An examination of NCSL and ALEC shows both are dedicated to federalism — ensuring state legislatures have as much freedom as possible to act on state interests with minimal interference from Washington. To further that mission, both organizations provide research and education to state legislators on a wide range of public policy issues from taxation to health care, and both offer a mechanism for public-private dialogue.

But the two organizations represent different points of view on several

key matters. NCSL often backs government expansion at the state level while ALEC consistently supports free-market, limited-government solutions.

NCSL spokesman Jon Kuhl told *CJ* that a primary focus of NCSL is working with Congress to ensure states are not burdened by unfunded federal mandates.

Bob Williams, a Republican Washington state legislator from 1978-88, and founder of the free-market Evergreen Freedom Foundation, agrees that NCSL offers a vast array of research for legislators, journalists, and the public. But Williams, chairman of ALEC's Tax and Fiscal Policy Task Force, also said NCSL consistently advocates for new government programs, asking Congress for funding and guidance.

ALEC, by contrast, is committed to Jeffersonian principles of limited government, free markets, and a balance between state and federal power that protects individual freedom, he said.

Three recent policy debates underscore the philosophical divide: taxation; the federal stimulus law; and health care reform.

ALEC has produced an annual report over the past five years, *Rich States, Poor States*, ranking states on economic competitiveness in 15 equal-

ly weighted policy variables directly affected by state lawmakers. Among the variables are top marginal personal and corporate income tax rates, sales tax burden, and property tax burden.

In a two-page overview outlining its principles of taxation, ALEC says, "the goal of American tax policy should be to raise revenue for functions of government in a way that minimizes distortions, so as to grow the overall economy and facilitate commerce."

NCSL's *Tax Policy Handbook for State Legislators* provides information for new legislators and others with limited experience in tax policy to help them evaluate various state taxes. The report examines current state tax systems and evaluates each major state tax using seven criteria.

Internet taxes have been highlighted in the search for new revenue sources for cash-strapped states. For more than a decade, NCSL has pushed states to adopt the Streamlined Sales and Use Tax Interstate Agreement, which NCSL developed along with the National Governors Association.

Under this agreement, states make tax collection simpler to encourage remote retailers who sell over the Internet and by mail order in multiple states, and who do not have a physical presence in the state, to collect sales taxes voluntarily.

Such collections must be voluntary because a 1992 U.S. Supreme

Court decision, *Quill Corp. v. North Dakota*, ruled that "a business had to be physically present in a state before that state could require the business to collect use tax on its behalf." This upheld a 1967 Supreme Court ruling, *National Bellas Hess v. Illinois*, in which the Illinois Department of Revenue tried to force a mail-order company in Missouri to collect sales and use taxes from customers purchasing its products in Illinois.

NCSL estimates states will lose \$23.3 billion in 2012 by being prohibited from collecting e-commerce taxes, so a growing number of states have tried to find ways to circumvent the law.

On its website, NCSL says the agreement "provides the states with a blueprint to create a simplified sales and use tax collection system that ... when implemented, allows justification for Congress to overturn the *Bellas Hess* and *Quill* decisions."

To date, North Carolina is one of 24 states to have passed complying legislation.

In 2009, North Carolina, along with New York, Rhode Island, and several other states, passed an Internet tax redefining "nexus" to mean out-of-state merchants are liable for collecting sales and use taxes when they have in-state affiliates whose websites generate sales for a merchant, and both the merchant and affiliate share the revenues — among the main "offenders" were bloggers and other noncommercial website operators who posted links to Amazon.com on their sites and got a small commission if visitors used the site as a portal to make purchases from

Please see "Common," Page 14

From 2007 to 2011, N.C. taxpayers paid NCSL \$163,994 in registration fees and dues

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Common Cause's Anti-ALEC Campaign Ignores Similarities With NCSL

Continued from Page 13

Amazon. Amazon responded by dropping its affiliate marketing program in North Carolina.

Now, NCSL is urging Congress to pass the Main Street Fairness Act, S. 1832, a bipartisan bill introduced in 2011 by Sens. Mike Enzi, R-Wyo., Lamar Alexander, R-Tenn., and Dick Durbin, D-Ill. This would overrule the *Quill* decision by authorizing states to require out-of-state businesses with no physical presence in that state to collect sales and use taxes on its behalf.

Williams told *CJ* that ALEC opposes the bill. David Addington, senior vice president of the Heritage Foundation, wrote in April that "overriding *Quill* would give states an incentive to increase revenues instead of cutting the scope, size, and cost of state governments."

Enactment of S. 1832 would be anti-competitive, Addington said, because it would allow states to "pick winners and losers based on legislative policy preferences" by favoring in-state over out-of-state businesses.

Stimulus

NCSL strongly supported passage of the American Recovery and Reinvestment Act of 2009, the massive \$787 billion stimulus bill. In a YouTube video from April 2009, then-NCSL President Hackney praised President Obama's leadership on the stimulus bill during a White House visit by some members of NCSL.

Noting that Obama was the first U.S. president who also was an alumnus of NCSL, Hackney pointed out that eight of the nine recommendations NCSL offered made it into the stimulus bill. Among the items singled out was the federal money given to states to close their budget gaps. The bill "is saving and creating jobs right now in North Carolina," Hackney said, and "I think it's what the people of America want."

ALEC opposed the stimulus bill in favor of reducing taxes and limiting government regulations. The group said those policies would do a better job stimulating economic growth and prosperity.

With the economy still struggling, there is growing demand for new stimulus. Jonathan Williams, director of ALEC's Tax and Fiscal Policy Task Force, told *CJ* that "any new stimulus will only prop up high-spending, high-tax states like California and Illinois at the expense of fiscally responsible states" that have cut spending and lowered the tax burden for their citizens.

Health care

NCSL supported many provisions of the Patient Protection and Affordable Care Act of 2010. Its website offers multiple resources on health re-

If ALEC violates tax-exempt status, then what about NCSL?

By KAREN McMAHAN
Contributor

RALEIGH

Attacks on the American Legislative Exchange Council are centered on several activities of ALEC that are similar or identical to activities also undertaken by several left-of-center groups.

Such activities as bill drafting, model legislation, and disseminating research and analysis for the use of legislators across the country are standard activities for many nonprofit organizations of the right and left.

However, it is ALEC's participation in such activities that has attracted the ire of many left-of-center groups.

Galvanized by their opposition to the 2010 *Citizens United* Supreme Court decision that affirmed corporations have the same rights as individuals to engage in political speech, liberal groups have stepped up their attacks against conservative organizations, politicians, and donors.

For more than a year, Common Cause, the Center for Media and Democracy, and Color of Change have been bombarding ALEC's corporate members with emails, Facebook and Twitter postings, and demonstrations, urging ALEC's sponsors to stop funding the nonprofit.

ALEC and its supporters say the goal is to starve ALEC of money and, ultimately, to silence it and other policy groups that oppose big-government policies.

Citing concerns over corruption from corporate influence and money in politics, Common Cause promotes itself as a grass-roots organization that seeks to increase the participation of citizens in the political process and that protects the civil rights and civil liberties of all Americans.

In April, Common Cause filed an IRS whistleblower complaint that claims ALEC misuses its 501(c)3 tax-exempt charity status by illegally lobbying for bills in state legislatures across the country.

The complaint accuses ALEC of being "a corporate lobbying group masquerading as a public charity" and engaging in "taxpayer-subsidized lobbying" by helping legislators write model bills that are friendly to business interests.

The Center for Media and Democracy, itself a 501(c)3 tax-exempt nonprofit corporation, founded the website ALEC Exposed, a project that encourages activists to pressure politicians, corporations, and nonprofits to drop their sponsorship of ALEC.

CMD publishes a list of bills at the federal and state level they say resemble ALEC "models," and urge supporters to write about these bills and proposed legislation to show how ALEC has affected their schools, neighborhoods, universities, cities, and states, and submit their postings to CMD's sister site, SourceWatch. Writers are told a neutral viewpoint is not

Continued as "If ALEC," Page 15

form policies at the federal and state level, including a legislative tracking database of all 50 states, as well as reports on state laws, bills, and lawsuits challenging provisions and the constitutionality of the federal law.

NCSL favored a public option at the state level and giving states a strong role in regulating health care through state-based exchanges.

In contrast, ALEC filed a friend-of-the-court brief with the U.S. Supreme Court in February to challenge the constitutionality of the federal individual mandate, and ALEC has played a key role in educating lawmakers through its *State Legislature Guide to Repealing ObamaCare*.

The guide suggests alternatives to "government-driven" health reforms, including ideas for "patient- and market-driven" legislation.

ALEC's Freedom of Choice in

Health Act, a model bill based on the language in Arizona's Health Care Freedom Amendment, is a state-level constitutional amendment that may help state lawmakers defend against the federal individual mandate and prohibit a government-run single-payer system like Canada's.

While North Carolina was the first state in 2011 to send legislation modeled after ALEC's health care initiative to its governor, Bev Perdue vetoed House Bill 2. Attorney General Cooper also refused to join a multistate lawsuit challenging the constitutionality of ObamaCare.

In 2009, NCSL pushed for reauthorization of the State Children's Health Insurance Program, a joint federal-state program that provides health care coverage to low-income children. The reauthorization proposal expanded eligibility to include unin-

insured families with incomes at a higher percentage of the federal poverty level than was included in the earlier SCHIP law.

Opponents said states would end up covering at least twice as many children as under the prior rules and at roughly twice the cost, in part because of crowding-out effects.

Studies have shown that as more privately insured children become eligible for public programs, families drop private coverage and enroll in the public program. Even with more federal dollars, states have to spend more tax money to match the federal dollars.

Funding and structure

Every state legislator automatically becomes a member of NCSL. As noted earlier, more than half of its \$16.3 million 2010 budget was underwritten by state taxpayers. Along with nearly 2,000 state legislators, ALEC's private-sector membership and funding base includes individuals from almost 300 corporations, private foundations, and state think tanks.

One repeated complaint of left-wing critics of ALEC is the organization's reliance on funding from corporate sponsors and foundations. But NCSL has its own business-funded subsidiary. In 1982, NCSL created the NCSL Foundation for State Legislatures, a nonprofit, tax-exempt 501(c)3 corporation to help sponsor events and training for legislators and legislative staffs.

According to NCSL's website, the foundation "is sponsored by a distinguished group of leaders who represent the nation's most prestigious and influential corporations, unions, and organizations." Its 2011 Annual Report listed \$1.965 million in revenues that fiscal year from 174 corporate and nonprofit donors, including AT&T, Astra Zeneca, Comcast Cable, the National Education Association, Wal-Mart, Visa, Time Warner Cable, AARP, Exxon Mobil, GM, Service Employees International Union, Freddie Mac, Sallie Mae, SAS Institute, and others.

NCSL provides a wealth of resources that ALEC does not. These resources are valuable to legislators, journalists, and the general public who seek information on what individual state governments are doing. Among them are extensive databases on state legislation and research comparing state approaches to public policy issues.

For example, NCSL has a bill-information service that allows individuals to search for bills in all 50 states, the District of Columbia, Congress, and Puerto Rico, and contains analyses and comparisons of bills and statutes in hundreds of areas by issue, title, or date. NCSL also has an e-Learning Center on its website with videos, podcasts, webinars, and other resources ALEC does not have.

CJ

If ALEC Violates Its Tax-Exemption, What About NCSL?

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required.

"Through ALEC, global corporations are scheming to rewrite your rights and boost their revenue," states the ALEC Exposed headline.

The websites for Common Cause, Color of Change, and CMD push the ALEC Exposed agenda and are using the controversy to raise money for their causes.

Drawing particular ire from liberal groups are Voter ID, immigration, and "Stand Your Ground" laws.

In a May press conference, Alan Dye, legal counsel to ALEC, told reporters that ALEC disseminates non-partisan research and analysis. The Constitution grants individuals the right to petition the government. Lawmakers and citizens need clarity, and the public interest is best served when education is available to lawmakers and the general public, Dye said.

Common Cause and other left-leaning organizations are advocating for a constitutional amendment that would overrule the *Citizens United* decision.

On ALEC Exposed, CMD compared ALEC to NCSL.

NCSL also accepts funding from unions, nonprofits, and for-profit corporations through its tax-exempt,

501(c)3 NCSL Foundation. The foundation sponsors NCSL events, giving sponsors and donors open access to state legislators. Among the corporate sponsors are BP America, Comcast Cable Communications, Verizon, and Wal-Mart. Wal-Mart also had been a member of ALEC until it was pressured to drop its membership.

Mary Boyle, vice president for communications at Common Cause, told *Carolina Journal* ALEC is different because "they call themselves a nonpartisan, tax-exempt charity but receive funding primarily from lobbyists and corporate principals, whereas NCSL is funded mostly by taxpayers," said Boyle.

Corporate sponsorship of the NCSL Foundation was not relevant, Boyle said, because NCSL's mission is to educate lawmakers and promote the sharing of ideas and does not have "teams of lobbyists sitting side by side with legislators to draft model legislation like ALEC does."

Common Cause itself has an education fund, a 501(c)(3) nonpartisan tax-exempt charitable organization.

According to the most recent IRS Form 990 available on its website, Common Cause Education Fund spent more than \$2.4 million in 2010 on its campaign to "challenge the influence of corporate interests on public policy,"

emphasizing the efforts by wealthy conservative activists Charles and David Koch to, among other things, "advance their agenda of dramatically lowering personal and corporate income taxes." That effort includes the attacks on ALEC.

In a statement on ALEC's website in response to the whistleblower complaint, Dye said the attacks "are based on patently false claims being made by liberal front groups that differ with ALEC on philosophical terms."

NCSL spokesman Jon Kuhl told *CJ* that NCSL has no official comment about the attacks on ALEC. Kuhl mentioned many of the same points addressed in the Common Cause complaint, however, including that state legislators govern NCSL and NCSL does not draft model legislation.

NCSL's own website states it helps lawmakers draft legislation. On March 26, 2010, NCSL hosted a webinar titled "Creating Great Legislation: How Legislators and Drafters Work Together," led by Bruce Feustel, NCSL senior fellow for legislative management.

CJ asked State House Minority Leader Joe Hackney, D-Orange, a former NCSL president, what is the difference between drafting legislation and model legislation?

Hackney said NCSL "holds train-

ing for legislative staff on writing a better bill but does not write the bills with corporations holding veto power over the legislators like I understand ALEC does." He said NCSL does not promote any bills to the states, only to Congress.

Michael Sanera, director of research and local government studies at the John Locke Foundation, said he has served on various ALEC task forces for more than 10 years. The task forces have a public-sector and private-sector chair, with the private sector represented by businesses, nonprofits, and state think tanks.

Public-sector members have the final say in policy decisions and what become ALEC resolutions, Sanera said. Recently, ALEC's Energy Task Force, on which he serves, was discussing Renewable Energy Portfolio Standards — state regulations that require electric utilities to increase their use of solar, wind, and other renewable energy sources. Legislators opposed REPS, Sanera said, but some of the private-sector members, including utility and solar companies, wanted them. The resolution adopted by the task force recommended states with REPS to repeal them.

On its website, ALEC states that "to the extent any ALEC model bill is successful, it is because it provides legislators and their constituents with the kind of free-market, limited-government solutions they want." *CJ*



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 Sundays 6:30am
 Sundays 6:30am
 Wednesdays 6:30pm
 Thursdays 9:30pm
 Fridays 9pm
 Sundays 112am
 Sundays 6:30am
 Sundays 6:30am
 Sundays 8:30am
 Saturdays 7am, 9am
 Sundays 12pm, 10:30 pm
 Sundays 10am
 Sundays 10am, 2:30pm
 Sundays 1:30pm
 Sundays 6am
 Sundays 9am
 Mondays 5:30pm
 Tuesdays 12:30pm

Michaels: Global Warming Science Biased By Government Cash

By CJ STAFF

RALEIGH

If you've spent much time following the news surrounding global warming, you might have noticed that each new report on the topic seems to tell us that conditions are much worse than scientists had expected. It's rare to hear about research that says conditions are better than projected or about the same. Dr. Patrick Michaels, senior fellow in environmental studies with the Cato Institute, says there's a good reason for this pattern in the way global warming research is presented. Michaels discussed the issue 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: You recently addressed the John Locke Foundation's Shaftesbury Society on the topic "Public Choice and Public Science: Global Warming and the Government-Scientific Complex."

Michaels: God, it sounds like I'm paranoid.

Kokai: First of all, let's get into that topic. When people hear "the government-scientific complex," the older among us might think of "military-industrial complex" and President Eisenhower and his warning. Does this have anything to do with that?

Michaels: Yeah, President Eisenhower, in his farewell address, warned of a military-industrial complex, and people don't notice the second paragraph, in which he warned of a scientific-technological elite running our society because of the power of grant money going to the universities. And, of course, he was right.

Kokai: He said this more than 50 years ago, and we're seeing the fruits of that today?

Michaels: We see it today. There is no doubt. You know, the problem is — think about global warming. We give money to things that define themselves as problems. And, therefore, there is no incentive for a practitioner of global warming science to go asking for money, or to go around Washington saying, "Well, you know, this is actually kind of overblown, and you really can't do much about it anyway. And, oh, by the way, we're going to survive." What that does is that cuts off the support.

Imagine if I went to the dean of the University of Virginia — where I was for 30 years — and said, "Mr. Dean, I want to study the influence of government on science. I think science gets biased by money that is always given to programs because it's always worse than we thought." The dean

"Seeing as it has warmed a little bit under a degree Celsius over the last hundred years or so, and during that hundred years, life expectancy in the industrialized world doubled, corn yields quintupled, people's wealth in constant dollars went up a factor of 10 — that's 10 times — obviously, a little bit of warming doesn't seem to be all that bad."

*Dr. Patrick Michaels
Senior Fellow
Cato Institute*



would say, "That's a great idea, now please don't ever bring that up again at this university. Thank you very much. Goodbye."

Kokai: And if you went to any other university, you'd get the same response.

Michaels: Yeah, I don't mean to single out UVa, though it's possible at Duke I wouldn't even be allowed to speak to the dean on that.

Kokai: Now, in looking forward to what this means for the news that we hear about global warming or other scientific problems, how does that shape what we hear about these scientific issues?

Michaels: It's literally always worse than we thought. You know, the fact of the matter is that every new piece of scientific information built upon a previous base has an equal probability, or should have an equal probability, of being worse than we thought or not as bad as we thought — global warming causing fewer deaths rather than more deaths should be equal probability every time we get new info. But it doesn't work that way. The number of horror stories to "it's worse than we thought" outnumber "it's not as bad as we thought" by about 9-1. Now, that's physically impossible, unless the previous science is biased.

Kokai: So let's analyze the type of news that people might be hearing. If they hear something dealing with global warming and the situation is much worse than we thought, or it's worse than was last reported, how should they read that, in terms of what those data actually mean?

Michaels: Ho hum. Just as if someone tells you that there are more

tornadoes than there were, you ought to start thinking, "Well, that seems pretty impossible." What there is is there's better detection. We now have Doppler radar everywhere. We didn't have that 15 years ago. Ask yourself the question: "Are there more severe tornadoes?" [Those are] the kinds you don't need radar to see — an F-3 tornado — they don't get missed. And the severe tornado numbers are constant.

Kokai: How about in just general terms of global warming. We've heard continued talk about global warming for decades now, and do the data show that we've had any global warming for the past decade or so?

Michaels: The surface temperature in most records — there's one that's different — but most records show no ... significant warming since late in the year 1996. That's quite some time ago. We are over 15 years now without any warming trend. ...

Kokai: If we haven't had any significant warming since the end of '96, is there any possibility that we have approached some sort of tipping point beyond which we're going to have catastrophic devastation?

Michaels: Well, it's obviously worse than we thought! That's why we must spend more of the people's money on it! No, seriously, there's no reason to believe that warming won't resume. I mean, you put carbon dioxide in the air, and you will, everything else being equal, warm things up. The problem is: How much? You don't care whether it warms. You don't care whether people cause it. You care how much it warms. You know, I'll give you a hint. You know that saying, "It's not the heat, it's the humidity"? How about this one: "It's not the heat, it's the sensitivity." But what I mean by

that — it's not the heat, it's the sensitivity — is that you don't care whether it warms; you care how much it warms. Sensitivity is a measure of how much it warms from carbon dioxide.

Kokai: And wouldn't another issue be, as well, if it's warming, is that a problem? I mean, are there ways that we're going to adapt that would make the warming not be a big deal?

Michaels: Seeing as it has warmed a little bit under a degree Celsius over the last hundred years or so, and during that hundred years, life expectancy in the industrialized world doubled, corn yields quintupled, people's wealth in constant dollars went up a factor of 10 — that's 10 times — obviously, a little bit of warming doesn't seem to be all that bad. I'm not saying that it caused all those good things, although the carbon dioxide in the air certainly had something to do with the increase in corn yield.

Kokai: Coming up this fall, you're going to be releasing a new document — a publication that will help fight this bias toward the "everything is worse than we thought" global warming news.

Michaels: I got really sick of "it's worse than we thought," and, unfortunately, "it's worse than we thought" is used as the basis for the Environmental Protection Agency's regulations on carbon dioxide. I have gone in to the document that serves as the basis for their regulation, and I've taken it apart, paragraph by paragraph.

Kokai: And this will be available in the fall. How will folks be able to get to it?

Michaels: It will be online at the Cato site, that's www.cato.org. CJ

Hostilities Between UNC, WakeMed Over...For Now

BY DUKE CHESTON
Contributor

RALEIGH

In late May, regional health care giants UNC Health Care and WakeMed Hospitals announced an agreement ending a year-and-a-half of open hostilities. At a press conference the two agreed to stop complaining publicly about each other and to give up plans for hostile takeovers. With the help of state legislators, they had hammered out a deal that UNC leaders, at least, called a “win-win” solution.

The agreement ended lawmakers’ discussions about limiting the growth of UNC Health Care and specifically about forcing UNC Health Care to sell Rex Hospital to WakeMed. However, such concerns could arise again, since the agreement seems more like a handshake arrangement than an ironclad contract. If one side breaches the deal, the other side can simply terminate the whole thing, following mediation.

And the agreement leaves UNC Health Care free to continue its expansion across the state.

The public dispute began roughly 18 months ago when WakeMed, seeing the speed of UNC’s rapid growth into WakeMed’s territory, filed a public records request with the UNC Health Care System. The situation heated up further last May when WakeMed tried to purchase Wake County’s Rex Hospital from UNCHCS. When UNC officials refused to sell, state lawmakers held hearings to investigate the possibility of forcing UNC to sell Rex. Legislators finally gave up on the idea, with the recent agreement resulting.

Basically, in exchange for UNCHCS ameliorating some of WakeMed’s smaller concerns, WakeMed agreed to end its hostile takeover bid for Rex and its public relations campaign against UNC.

One of WakeMed’s complaints was that UNCHCS was not performing its fair share of health care for the poor in Wake County. As a result of the agreement, UNC Health Care will spend \$40 million on a mental health facility in Wake County over five years: \$30 million to start it, then \$10 million to run it.

Another complaint launched by WakeMed was that Rex Hospi-

tal was not financially transparent. It did not have to fill out IRS Form 990 (a transparency measure that private nonprofits usually have to comply with) or respond to public-records requests (as government agencies usually do). Following the end of hostilities, Rex and the other private, nonprofit entities run by UNCHCS, such as Chatham Hospital, will have to fill out 990s, making them somewhat more transparent than before.

WakeMed, for its part, agreed to drop the public-records requests it had filed with UNC.

The agreement does not address the initial cause of the public dispute:

the continued expansion of state-owned hospital chain UNC Health Care. The organization began as a hospital added to the medical school in the 1940s, but in recent years it has grown rapidly.

In 2000, UNCHCS bought Rex Healthcare, which now comprises six campuses around Wake County. It since has added numerous facilities, including hospitals in Siler City and Hillsborough. Now, thanks to the agreement, UNC Health Care can continue its rapid expansion across the state, except for the small speed bump that is the \$40 million Wake County mental health facility.

UNC Health Care has more than doubled in revenues over the last 10 years; if it continues at that pace, within a couple of decades, North Carolina’s primary health care provider may be state government. UNC officials have said that they are merely fulfilling UNCHCS’ state-mandated mission of research, teaching, and service. On the other hand, they have said that there is no “specific demarcation line” to the system’s growth.

Despite the omission in the contract, the agreement has a very minimal enforcement mechanism, meaning that the issue may come up again in the near future.

For now, though, it’s all quiet on the Wake County health care front.

CJ

Duke Cheston is a writer and reporter at the Pope Center for Higher Education Policy (popecenter.org).



COMMENTARY

UNC Gets One Right

Usually around this time of year, the Pope Center publishes an article criticizing some of the uninspired, politically biased, and often wrenchingly painful books that our state’s universities pick for all of their incoming freshmen to read. This year, thankfully, is different.

UNC-Chapel Hill and Lenoir-Rhyne University have made a bold break from the general trend. These two schools have selected *The Shallows* by Nicholas Carr, a troubling but enlightening book warning about the effects the Internet is having on our brains.

The book is a great leap forward from the book I read as an incoming freshman at UNC in 2006. *The Namesake* by Jhumpa Lahiri was, from what I remember, a story about the sad and ultimately pointless meanderings of a 20-something Indian immigrant, including occasional nudity.

The Shallows, by contrast, asks readers to think deeply about thinking deeply, which is increasingly difficult. Carr’s best-seller weaves together personal anecdotes, technological history, and the findings of psychological research to tell a compelling story about how the machines we’ve made are remaking us. Though it is a fairly quick read, its message is serious: Our growing use of the Internet is making our minds more easily distracted, letting us learn a lot superficially but keeping us from being as thoughtful as we used to be.

The book is based on the premise that our minds can change dramatically over time, even as adults — a phenomenon that psychologists call “plasticity.” According to Carr, these changes can occur as a result of the media through which we absorb information.

The proliferation of written documents, for example — first in scrolls, then in books — has made us deeper thinkers. Reading changes our mental habits because it “chronically understimulates the senses,” in the words of author Steven Johnson (as quoted by Carr). This “understimulation” is useful for thinking deeply since it enables

the movement of ideas from one’s shallow and short-term working memory into the deeper, long-term memory. Indeed, this change in mental processes led to a “virtuous cycle,” Carr says, of more books and increased reading throughout society.

Now, the Internet is changing our brains back, making our brains attuned to distraction like pre-literate man and less able to focus on and gain from long tracts. Carr concedes that there are many benefits to the Internet — the access to information is staggering — and

even some psychological benefits, such as improvements in certain types of fast-paced problem solving. But by making us more easily distracted, we are losing something vital: the tendency and ability to sit and think. In other words, the Internet is eroding what John Henry Newman termed the “philosophical habit of mind,” something colleges and universities

long have sought to cultivate.

If *The Shallows* has a major letdown, it is the lack of strategies for “unplugging” one’s brain from the effects of the Internet. No doubt UNC-Chapel Hill and Lenoir-Rhyne students reading the book over the summer will take Carr’s warning and ask, “What can we do?” — only to find no apparent solution. He does mention a few software programs designed to increase productivity, but, given the short shrift they get in the book, he doesn’t seem to think they’re up to the task of reversing the Internet’s effects.

In any event, the Internet is and likely will remain one of the defining features of life for many years for the incoming class of 2016. UNC-Chapel Hill and Lenoir-Rhyne deserve commendation for taking a break from victimhood studies to alert incoming students to the possible downsides of this incredible human achievement.

(For a list of other summer reading selections throughout the state, see the Campus Briefs section on page 18.)

CJ

Duke Cheston is a writer and reporter for the John W. Pope Center for Higher Education Policy in Raleigh.



DUKE CHESTON

Campus Briefs

Here are the 2012 summer reading assignments from universities around the state:

- Appalachian State University: *Farm City*, by Novella Carpenter

- Barton College and East Carolina University: *The Immortal Life of Henrietta Lacks*, by Rebecca Skloot

- Belmont Abbey College: *A Canticle for Leibowitz*, by Walter M. Miller

- Catawba College: *The Checklist Manifesto*, by Atul Gawande

- Davidson College: *Vietnamerica*, by G.B. Tran

- Duke University: *State of Wonder*, by Ann Patchett

- Elon University: *Zeitoun*, by Dave Eggers

- Fayetteville State University: *The Wealth Cure: Putting Money in Its Place*, by Hill Harper

- Gardner-Webb University: *Living Stories of the Cherokee*, collected by Barbara Duncan

- Lenoir-Rhyne University and UNC-Chapel Hill: *The Shallows: What the Internet is Doing to Our Brains*, by Nicholas Carr

- Mars Hill College: *Outcasts United*, by Warren St. John

- Meredith College: *The Glass Castle*, by Jeannette Walls

- Methodist University: Freshmen have three options:

(1) *An Invisible Thread*, by Laura Schroff and Alex Tresniowski; (2) read *The Spirit Catches You and You Fall Down*, by Anne Fadiman, and *The Kite Runner*, by Khaled Hosseini; or (3) *The Student Leadership Challenge*, by James Kouzes and Barry Posner

- N.C. A&T State University: *The Other Wes Moore*, by Wes Moore

- N.C. State University: *It Happened on the Way to War*, by Rye Barcott

- William Peace University and UNC-Greensboro: *Wine to Water: A Bartender's Quest to Bring Clean Water to the World*, by Doc Hendley

- Queens University: *In the Time of the Butterflies*, by Julia Alvarez

- Salem College: *Salvage the Bones*, by Jesmyn Ward

- UNC-Wilmington: *Ten Letters: The Stories Americans Tell Their President*, by Eli Saslow

Study: Pell Spending Not Leading to Better Results

Created for poor students, 60 percent now receive grants

BY POPE CENTER STAFF

RALEIGH

The Federal Pell Grant Program may not be the nation's largest federal aid program, but in recent years it has been one of the fastest-growing.

A new report from the John W. Pope Center for Higher Education Policy, *Pell Grants: Where Does All the Money Go?*, sheds some light on the past and current state of the grants. The study was highlighted in a June *Wall Street Journal* editorial.

The program started in 1972 to help poor students pay for college. While the amount of money given to each individual student largely has stayed flat over the program's four decades of existence, the number of students in the program has grown so much that currently about 60 percent of undergraduate students nationally are receiving stipends from it.

At some schools, nearly 80 percent of students receive the grants — meaning only one in five students at those schools does not get one. As a result, the nation is spending billions on the program — nearly \$42 billion in 2012. Pell grants are the biggest expenditure of the Department of Education.

Much of that increase is recent. Between 2008 and 2010, Pell grants roughly doubled, with total disbursements growing from \$18 billion to \$36 billion. The number of grant recipients grew from 4.1 million in 2000 to 9.6 million in 2010. (There were 16 million undergraduates in the country.) Though not technically an entitlement program, it has become a de facto entitlement because everyone who qualifies gets a grant, regardless of budgeted funding.

Meanwhile, mounting evidence suggests the Pell grant program is not producing the desired results.

The Pope Center study, co-authored by Jenna Ashley Robinson and Duke Cheston, contends there are two major problems with the program: It expanded to cover more than half of all students, and almost anyone — regardless of academic background — can qualify. Recipients must meet only a minimal academic standard: obtaining a high school diploma or the equivalent. There are no minimum SAT scores or GPA requirements.

Consequently, many grant recipients go to college but flunk out or lose interest, often going deeply into debt in the process.

The Pope Center's review of ex-

isting research did conclude that Pell grants have helped to attract more poor students into college. But have they helped them graduate?

The federal government does not publish graduation rates for Pell recipients regularly. Thus, it remains unclear precisely how well recipients do.

Given the lack of information, the study looked at low-income students

to see if their graduation rates have improved since the program began in 1972. Since 1970, the percentage of high school graduates from the bottom income quartile going to college has increased by about 60 percent — a substantial amount. However, the percentage of those students who received a bachelor's degree by age 24 actually decreased from 21.9 to 19.9 percent.

Moreover, although available data suggest Pell grants are more effective when targeted to genuinely low-income students, the grants increasingly are going to middle-income families. In 2009-10, 6 percent of Pell recipients came from a family with income over \$50,000, suggesting that as the program expands it is losing its effectiveness.

Another potential downside explored by the study is that the Pell program's expansion may be allowing colleges to raise tuition, undermining the program's initial purpose. The idea

that government aid to college students adds to rising costs is known as the "Bennett Hypothesis," after former U.S. Secretary of Education William Bennett, and recent studies suggest the idea has some merit.

The scientific literature on the subject recently was collected and refined in a paper from the Center for College Affordability and Productivity

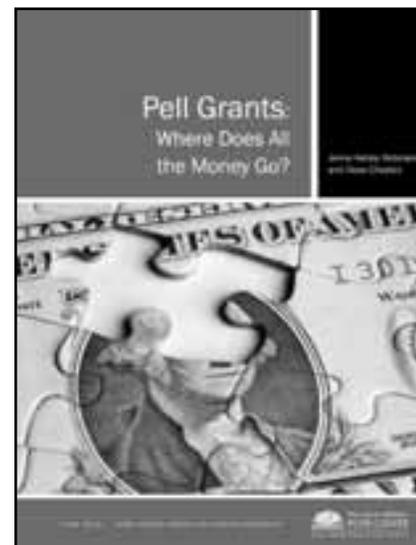
titled "Bennett Hypothesis 2.0," by Andrew Gillen. Gillen's thesis is that programs targeting the genuinely poor usually don't lead to higher tuition prices, but when money is given to everyone, such as with college savings tax shelters, colleges raise their tuition. They can capture more revenue without causing more students to seek an education

elsewhere.

Pell began as a program of the first variety, targeted to the poor, but increases in grants to those in middle-income brackets suggest that it is becoming one of the second type, driving up the cost of college.

For these reasons, the study concludes with several suggestions for making Pell grants more effective. These include targeting the grants to well-prepared low-income students, and requiring the federal government to track the performance of Pell recipients regularly.

CJ



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Compiled by Jenna Ashley Robinson, outreach coordinator at the Pope Center for Higher Education Policy (popecenter.org).

Opinion

Outdated U.S. Vision Keeps STEM Education Rooted in the Past

The second half of the 20th century was a time of great prosperity and growth in the United States. Our nation's natural bounties — physical, cultural, moral, and intellectual — were enough to mask any fundamental errors committed by our leaders. Between enormous advances in technology and wide-open world markets, we quickly could turn around any ill effects caused by bad policies.

A consensus vision of the future formed based on this temporary good fortune. The vision featured the United States maintaining its position atop the world economy permanently by focusing on the highest levels of employment: research, design, and development, as well as finance. Lower-skilled functions such as manufacturing and resource extraction could be left to less-developed nations — all we needed to do was pump up our scientific and technical labor force through education and immigration.

Under the vision's spell, great sums of money have been poured into education. Considered especially important has been increasing the number of college graduates in the STEM (science, technology, engineering, and mathematics) disciplines.

But that vision of permanent technical superiority is proving to be

false. Developing nations, such as China and India, are not content to perform just low-skill functions, but are producing their own highly educated researchers.

Yet, even as the vision's fundamental flaws and lack of sustainability grow more painfully obvious, much of our leadership cannot let go of its basic tenets. It continues to prime the STEM pump as a cure for high unemployment, despite the existence of large long-term labor supply gluts in many STEM fields. Our leaders mistake a problem for a solution.

We should instead concentrate on increasing the demand for STEM professionals. That means pumping up such traditional industrial activities as manufacturing and resource extraction, the very activities that produce huge numbers of good jobs. U.S. employment in manufacturing has been shrinking rapidly for over a decade; while we burdened industry with onerous regulations and tax structures, China surpassed us as the world's leading manufacturing nation in 2010.

When manufacturing disappears, so do a huge number of STEM jobs. Far more engineers can be employed to perform routine operations such as supervising production in manufacturing than our country will ever be able to employ doing meaningful research; only 4.8 percent of all engineering positions today are

in research and development.

The same goes for pharmaceutical companies: Due to burdensome government regulations and difficulty enforcing patents overseas,

the industry cut 297,650 jobs between 2000 and March of 2011. And the energy sector — which hires lots of engineers and scientists — has had its hands tied as well by environmental opposition.

Despite these problems, and despite federal Bureau of Labor Statistics projections that suggest many STEM professions will see no upswing in hiring between now and 2020, the push perpetually is on for more STEM graduates. But overproducing graduates only will make employment in these fields more difficult and depress wages. Perhaps worse, this is a terribly inefficient use of human resources.

Of course, many reasons remain why we should continue to educate some people in STEM fields. Bright, inquisitive minds naturally will be drawn to the study of the physical world, scientific exploration and innovation always will be extremely important, and the study of these subjects provides the habits of mind all too often absent from other college majors.

But while having young people study science and technology is important, we should not exaggerate the ability of such activities to change our

economy.

The real solution is an end to government meddling. That means an end to overregulation and over-taxation, reducing some educational subsidies, and ending the flood of foreign labor on special visas into glutted fields. Only by doing so will the marketplace be able to make the adjustments needed to restore our productive capacity to its fullest.

Conversely, academia must stop pretending that labor supply and demand don't exist and stop encouraging students to study for opportunities in declining careers. Universities must allow departments to shrink and quit trying to solve their enrollment and graduate assistant labor problems with foreign students.

More fundamentally, it means a change in visions. Pipe dreams of a future technological paradise, populated mainly by visionaries and assorted creative types, may be fine for entertainment purposes, but they are not a firm foundation for our economy.

Such futuristic fantasies already are causing a downward spiral by avoiding the present reality. What is needed now is a new pragmatic vision of using our currently available technology and human capital to restore our actual prosperity. By concentrating on what we can do now, we will again create a demand for STEM graduates who, given the opportunity, will create a brighter future for us all through their ability to innovate. CJ

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



JAY SCHALIN



Are Pell grants going to those who need them?

Jenna Ashley Robinson and Duke Cheston examine out-of-control Pell grant spending.

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• *The Great Global Warming Blunder* offers a simple explanation of why forecasts of a global warming Armageddon constitute a major scientific faux pas: Climate researchers have mixed up cause and effect when they have analyzed cloud behavior. Combining illustrations from everyday experience with state-of-the-art satellite measurements, Roy W. Spencer reveals how Mother Nature has fooled scientists into believing that the Earth's climate system is very sensitive to humanity's production of carbon dioxide through the use of fossil fuels. Instead of fearing more carbon dioxide in the atmosphere, Spencer argues, we should consider the possibility that our burning of fossil fuels actually may be beneficial to life on Earth. More at www.encounterbooks.com.

• Reagan was known as The Great Communicator. Clinton was called The Natural. Obama will be known as The Amateur. So reveals best-selling author Edward Klein in his new stunning exposé, *The Amateur: Barack Obama in the White House*. In this devastating new book, Klein pulls back the curtain on one of the most secretive White Houses in history. He reveals a callow, thin-skinned, arrogant president with messianic dreams of grandeur supported by a cast of true believers, united by leftist politics and an amateurish understanding of executive leadership. *The Amateur* is a reporter's book, buttressed by nearly 200 interviews, many of them with the insiders who know Obama best. You will never look at Barack Obama the same way again. Learn more at www.regnery.com.

• In *Born to Battle*, Jack Hurst examines the Civil War's complex and decisive western theater through the exploits of its greatest figures, Ulysses S. Grant and Nathan Bedford Forrest. These two opposing giants squared off in some of the most epic campaigns of the war, starting at Shiloh and continuing through Perryville, Vicksburg, Chickamauga, and Chattanooga. Both men had risen through their respective hierarchies thanks to their cunning and military brilliance, and despite their checkered pasts. Grant and Forrest were both "lower"-born officers who struggled to overcome particular, dubious reputations. In time, however, each became renowned for his intelligence, resourcefulness, and grit. More at perseusbooksgroup.com. CJ

Book review

Collier's Political Woman a Larger-Than-Life Story

• Peter Collier, *Political Woman: The Big Little Life of Jeane Kirkpatrick*, New York: Encounter Books, 368 pages, 2012, \$27.99.

By LLOYD BILLINGSLEY
Contributor

She was "the first woman independently to achieve real power in the area of international affairs," according to *The New York Times*, one of her primary critics. "No woman had ever been so close to the center of presidential power without actually residing in the White House."

Someone of that stature would surely write a riveting autobiography. Jeane Kirkpatrick tried but did not deliver, so the task fell to veteran biographer Peter Collier, whose elegant *Political Woman*, the first full biography of Kirkpatrick, illuminates the subject and much more.

Jeane hailed not from the Northeast, but Oklahoma, land of Will Rogers, whose statue she kept on her desk. Her father Frank "Fat" Jordan labored in the oil fields and she did not advance because of family connections. From the academic milieu in New York and Paris, Kirkpatrick easily could have fallen into the Stalin idolatry of her times, but her intellectual formation would not allow it.

Kirkpatrick "studied totalitarianism all her life and was aware of its tensile strengths and subtle ruses for maintaining power," writes Collier. "She had cut her intellectual eye teeth on documentary evidence revealing the psychological and political consequences of the gulag state." She met Hannah Arendt (*Origins of Totalitarianism*) and Franz Neumann, a Columbia University historian who had fled Germany, and who gave her files about inner workings of the National Socialist regime. These documents, Kirkpatrick said, "changed me forever."

Husband Evron "Kirk" Kirkpatrick, who served with the Office of Strategic Services, forerunner to the CIA, gave Jeane a cache of accounts describing purges, famine, show trials, and such in the pre-war USSR. "How could people do this?" she said. "How could other people let them?" Kirk also served up documentary evidence from Chinese Communist soldiers taken prisoner in Korea, which described the "systematic violation of the human being."

A threefold cord is not easily broken. Instead of Sartre's apologies for Soviet tyranny, Jeane preferred the formulation of Camus: Communism = Murder. She believed Alger Hiss was guilty. She wound up "convinced that a diabolical vision of the public good is the greatest horror and the source of the greatest evil in modern times." Further, "It isn't war that's the greatest danger. It's tyranny. Tyranny has killed the most millions of people."

In her famous 1979 "Dictatorships and Double Standards" article in *Commentary*, she observed that traditional autocracies leave the habitual rhythms of life intact and sometimes evolve into democracies. "Precisely the opposite is true of revolutionary Communist regimes," she wrote. Those ideas had consequences when Ronald Reagan tapped Kirkpatrick as ambassador to the United Nations.

She did not accept the Brezhnev Doctrine that the

USSR had a mandate from history to preserve and expand its empire. Rather, she agreed with Reagan that it was an evil empire and that the duty of the United States was to roll it back and expand liberty. Communist bosses were not alone in opposing her.

Collier provides a thorough box score of the conflicts in the American academy, the Democratic Party, the Reagan administration, the State Department, and the United Nations. That body routinely condemned the United States, Britain, Israel, and South Africa while turning a blind eye to Soviet repressions, genocide in Cambodia, and other Communist atrocities. Ultimately, Collier notes, Kirkpatrick achieved her goal of taking the "Kick Me" sign off the back of the United States.

She supported the Nicaraguan Contras, and that earned her the sulfurous enmity of the American Left, whose members shouted her down as a "war criminal" as she delivered the 1983 Jefferson Lecture at the University of California at Berkeley. Jeane finished her speech and considered it important to be "rich in terms of the number and kind of enemies I had." As for friends, Andrei Sakharov told her "your name is known in every cell of the gulag." She also befriended George McGovern, a political opponent, after each lost children to alcoholism.

Collier concludes with George Will's observation that Reagan and his sidekick Jeane Kirkpatrick set about deleting the Soviet Union from mankind's future. Neither that, nor her undeniable smashing of the glass ceiling, gained her any points with the feminist movement, then as now the women's auxiliary of the left. Gloria Steinem called Jeane Kirkpatrick a "female impersonator," and Naomi Wolf (*The Beauty Myth*) said she was "a woman without a uterus."

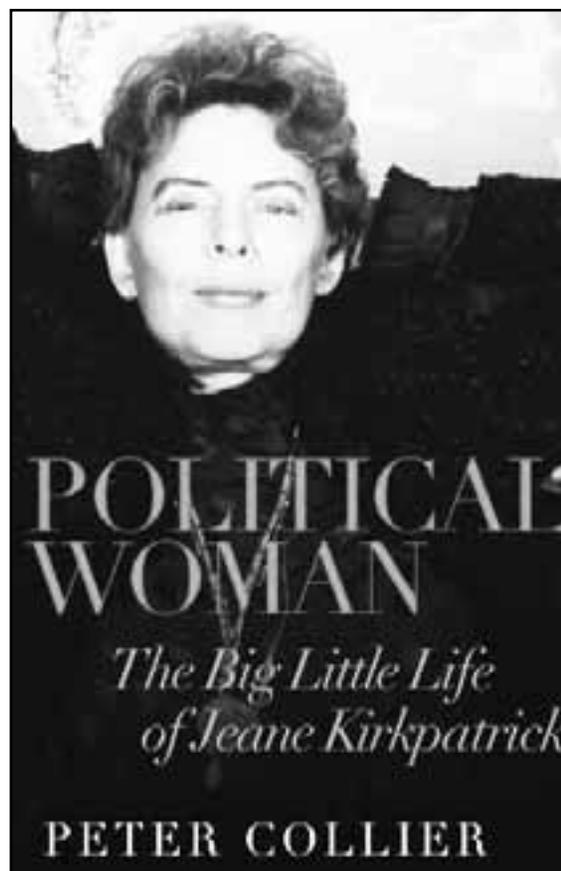
Perhaps because of her husband's intelligence background, Collier speculates, Kirkpatrick seemed to believe that potential readers had "no need to know"

about her. At this stage of history, the need to know would seem to be huge. The bulk of this story took place a generation ago, and America has the attention span of a hummingbird. In *Political Woman*, readers in the Age of the Tweet can get to know Jeane Kirkpatrick, "prickly eccentricities" and all, and meet or recall the vast cast of characters who jostle in these pages, from Idi Amin to Betty Friedan.

Political Woman may prompt some to study totalitarianism and its current variations for themselves. Since many campuses barred Jeane from speaking, the book should prove particularly useful for students of history and political science, and for aspiring diplomats.

"I've always been passionately in love with my country," Jeane Kirkpatrick said, and it showed. One could not see her abandoning longtime allies or, as currently fashionable in the State Department, blaming the violence of Mexican drug cartels on American guns.

As she said in her famous speech, they always blame America first. CJ



Lloyd Billingsley is the author of *Hollywood Party* and other books. He has written for *The Wall Street Journal*, *Reason*, *National Review*, and many other publications.

Country Song 'Home' Offers Sophisticated View of America

A dog, a pickup truck, spurned love, maybe some prison time, and beer — a good country song mentions them in some combination. That's the old joke. There's some truth in humor, though — recall George Jones' "He Stopped Loving Her Today," or the more recent "Ol' Red," featuring Blake Shelton.

Criticism of a different stripe is that country music reveals — especially the patriotic variety, such as Toby Keith's "Courtesy of the Red, White, and Blue" — an American cultural and political divide. Whether the genre does or doesn't, that song is too jingoistic for me. Dierks Bentley's "Home," however, offers a more sophisticated expression and is illustrative.

What is America? What is patriotism? Ah, it's those basic questions that baffle. One thinks he knows until asked to explain.

As Bentley sings, the listener hears that "Home" — America — is a particular place. Although ironi-



TROY KICKLER

cally the singer is in a plane, the song reveals a sense of rootedness. Take the opening stanza: "West, on a plane bound west/I see her stretching out below/Land, blessed mother land/The place where I was born."

But America is more than land, with "mountains high" and a "wave-crashed coast."

The song lacks a definition of an American creed, but it expresses that America was founded on certain principles, with a goal in mind. Consider the second stanza: "Scars, yeah she's got her scars/Sometimes it

starts to worry me/Cause lose, I don't wanna lose/Sight of who we are." The song later declares: "It's been a long hard ride/Got a ways to go. . . ."

But the listener is quickly grounded with the familiar: "This is still the place/That we all call home."

Indeed, America is far more than a creed, an abstract concept. "Though [freedom] sometimes means we don't all get along," problems should not be exaggerated to denigrate the whole.

America has a particular history and a particular character.

Is the song contradictory? Whether intentional, the song alludes to the constant tension in American history and in the overall concept of American patriotism — "a mixed patriotism," as American intellectual historian Wilfred McClay refers to it.

You love a country because it's yours. You have experienced beautiful vacations and remember your childhood. Your family and friends live here. You toil here yet experi-

ence lighthearted moments. Yet you also are patriotic because you believe the founding principles and certain "self-evident truths," that "all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

Sometimes the love of the particular and the love of the "American creed," however, are in tension. But

they co-exist because American patriotism is twofold.

Let me explain with an analogy offered by McClay:

"A man is devoted to his wife partly because she is admirable — and partly because she is his. And it is easy to see how, in a marriage, one cannot separate these two things in practice. A man may perhaps initially fall in love with a woman because she is admirable and lovely. But it is an entirely different matter to explain why he stays married and faithful to her, even when he knows full well that she is not always admirable and lovely. Should a man continue to love and honor his wife only if she is always admirable? ... Are there not occasions when a good husband honors and defends his wife, even when she may be in the wrong, simply because she is his and he is hers?"

This July 4, when watching fireworks, grilling hamburgers, relaxing by the pool, or maybe simply watching TV and being thankful for the air-conditioning unit, ask yourself: "What is America?" and "Why do I love it?" What will be your answers? CJ

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

The song alludes to a tension in the overall concept of patriotism

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Short Takes on Culture

Next Spring at Boshamer

• Boshamer Stadium
UNC-Chapel Hill campus
Chapel Hill

I'm a huge baseball fan, particularly college baseball, and my favorite venue for watching, since my blood runs Carolina blue, is at Boshamer Stadium on the UNC-Chapel Hill campus.

Boshamer Stadium was rebuilt from the ground up and reopened in 2009. The playing surface and stadium amenities are much improved over the previous facility, with more restrooms and concession stands.

North Carolina has a long and proud baseball history. Perhaps the most famous movie about minor league baseball ever made, "Bull Durham," was filmed in the Triangle.

What I love about college baseball is that the focus is on the players, the two teams competing that day, and the game.

Over the past decade or so, a number of colleges have taken steps to upgrade their baseball facilities. N.C. State University's Doak Field and Elon University's Latham Baseball Field come to mind.

Tickets run around \$8 to \$10. And parking generally is not a problem. And since they start earlier in the year than the pros, the weather is nicer.

So, next spring, on a mild afternoon, go out and enjoy the sound of a metal bat hitting the baseball,

— BARRY SMITH

• *Trickle Down Tyranny*
By Michael Savage
William Morrow

Ever since I heard that radio host Michael Savage would be releasing a new nonfiction work, *Trickle Down Tyranny*, I knew that I and other members of the "Savage Nation" would get a fact-filled, well-written, impeccably researched blast of independent conservatism; bashing Democrats but also holding suspicion for complacent Republicans.

Savage opens with an unnerving political statement: "Economies can be rebuilt, armies can be repopulated, but once a nation's pride is gone it can almost never be restored." What's the Savage Solution to our current problems? To rally behind the most electable Republican candidate who can defeat Barack Obama in the 2012 presiden-

tial election.

Trickle Down Tyranny provides a dire indictment of the Obama administration's policies. Through 11 hard-hitting chapters, Savage highlights Obama's cataclysmic economic policy, radical White House cronies, taxpayer-funded green energy scandals, and reckless foreign policy, not to mention the skills in the mainstream media who refuse to scrutinize his actions.

Without mincing words, Savage provocatively illustrates the severity of the fiscal, political, and cultural catastrophes facing America today.

Trickle Down Tyranny is a controversial and dramatic narrative, serving to remind us that America's core principles and constitutional integrity are worth saving.

— SHANE WILLIAMS

• "Boss"
Farhad Safinia and Kelsey Grammer, executive producers
Friday, 10 p.m., STARZ

For years Kelsey Grammer made us laugh as the pretentious but lovable "Frasier." But in his Golden Globe-winning portrayal of twisted, cold-hearted politician Tom Kane, Grammer will make you forget he ever set foot in a Seattle radio station or Boston pub.

In the STARZ original series "Boss," Grammer plays the fictional mayor of Chicago, whose public persona is huge smiles and bear hugs, but whose fiefdom is built on private deceit and corruption.

To say Tom Kane shows no mercy to those around him is being kind. That includes money-grabbing union bosses he cozies up to and then crushes, power-hungry city council members he pressures and then stabs in the back, and a double-crossing, ice-queen wife he once loved but whose political loyalty is in doubt.

In season one we learned of the progressive, debilitating brain disease Kane is hiding, and we got to know the inner circle he no longer trusts. And, in a character North Carolinians will find familiar, we met the fresh-faced up-and-comer with coiffed hair who's cheating on his wife while seeking to snatch Kane's power.

If you love politics and great plotting, "Boss" is delicious but for adults only due to foul language and adult content. Season two begins Aug. 17.

—DONNA MARTINEZ CJ

Book review

Individualism and Capitalism

• Michael A. Beitler, *Rational Individualism: A Moral Argument for Limited Government and Capitalism*, Practitioner Press International, 2008, 120 pages, \$19.

BY KATELYND DAY
Contributor

RALEIGH

During times of economic struggle it is no surprise that many people are turning to the government to receive assistance. But accepting these benefits and approving government expansion not only prolongs the hard times, but also shifts our society closer to socialism. Michael Beitler, a well-respected business leader and professor, advocates a return to limited government and free markets as an alternative in his book *Rational Individualism*.

From the start of *Rational Individualism*, Beitler engages readers in an intimate conversation, guiding us through the history of philosophy, politics, and economics from the Greeks through the modern day. His instructive prose provides an easily understood explanation of the diverging principles (individualism; libertarianism; capitalism; collectivism; statism; socialism) that form the landscape of politics and economics in the 21st century. Citing many influential thinkers, Beitler juxtaposes the principles of socialism and capitalism, determining that "socialism is immoral [while] capitalism is the only moral political-economic system."

Beitler contends that capitalism offers benefits to all classes of society through job creation, increased standards of living, and product innovation, to name a few. But this is not the reason he argues capitalism is the only moral political-economic system. Capitalism is moral because, above all, it protects individual rights.

On the other hand, socialism, like any collectivist system, denies rights to individuals for the advantage of the collective. Socialism provides a "legal" way for unproductive people, "blinded by envy and ignorance," to acquire the wealth of the productive members of society for their own use. "Today most Americans do not want the responsibility for their retirement, health care, job security, or the education of their children," he writes. "They gladly turn these responsibilities over to the state." Yet every responsibility they surrender yields more and more of their freedom to the government.

Socialism is also unsustainable; it

disregards the fundamental economic truth that production precedes consumption. In a society based on collectivism, production will eventually halt because individuals do not have the right to benefit fully from their labor. Continued consumption without production will lead to excessive deficit spending and increased government interventions.

The clarity Beitler offers regarding the cost of socialism to both "productive and unproductive" individuals will assist readers in understanding the need to reject the expansion of government under the guise of equality.

The alternative proposal to socialism is capitalism: the idea that government's only role should be to protect individual rights. Government constrained by such limits ensures

the freedom to create wealth, limited only by one's ability and initiative. Success is in the hands of every individual. Unproductive people should not look to the productive for benefits, and productive people should not feel guilty for their success.

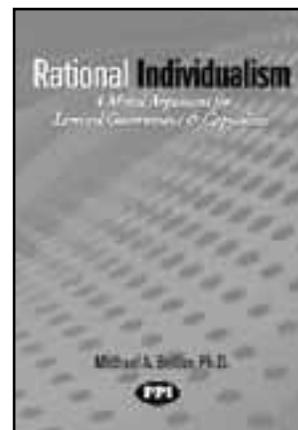
Even if they possess this knowledge, Beitler concludes that unproductive people will want the security provided by social programs and other entitlements, even if they know that by doing so they are surrendering their freedom. Individual freedom requires individual responsibility.

Beitler has faced some criticism for not adding new theories to the study of economics but merely restating the ideas of others, but his work frames the vast history of seemingly esoteric ideas in a way that is easily understood. With each philosophy he provides a clear line of reasoning to the real-world outcome. This allows readers to see how the quick fixes of socialism have detrimental long-term effects: lost individual rights, duplicity of leaders, class warfare, and scapegoating.

Beitler also notes that the call for entitlements exists in all sectors of politics, society, and pseudo-independent business. Individualists must be diligent, therefore, never retreating to the seductive "freebies" offered by any group or leader.

Rational Individualism is a wonderful introduction to the study of political economics. It provides a concise presentation of various philosophies alongside the relevant history. It offers a sound basis and direction for someone with any political leaning to begin further inquiry.

CJ



Book review

Murray's *Coming Apart* Offers Explanations for Social Decline

• Charles Murray, *Coming Apart: The State of White America, 1960-2010*, New York: Crown Forum, 416 pages, 2012, \$27.00.

By DAVID N. BASS
Contributor

RALEIGH

Our nation is coming apart at the seams — not ethnic seams, but the seams of class." At first glance, a casual reader could mistake that sentence as originating from the pen of a class-warfare liberal. Instead, it reflects the thesis of libertarian scholar Charles Murray's new treatise on the economic and cultural decline of whites in the United States, titled *Coming Apart*.

Murray chooses Nov. 21, 1963 — the day before the Kennedy assassination — as the symbolic last day of the old American culture, before the social revolutions of the mid- to late 1960s engulfed the nation. His book is about changes in society that have divided white America into two classes: a rift that, if left unchecked, he predicts will tear the U.S. apart.

Murray's reasons for America's decline aren't based on economic and social repressors that prevent the small guy from getting ahead, a favorite argument of the left. Rather, he points to sociological factors that are within the power of the individual to change — marriage, religiosity, industriousness, and honesty. Murray argues that working-class whites have taken on many of the sociological characteristics of the black family, including low rates of marriage, high rates of unwed motherhood, and declining work ethic among men.

To illustrate his point, he paints a statistical portrait of two fictional

neighborhoods: The first, Fishtown, comprises working-class whites with no more than a high-school diploma occupying a low-skill job. It's drawn from an actual blue-collar neighborhood in Philadelphia. The second, Belmont, comprises whites with at least a bachelor's degree working in a managerial or professional role. It's drawn from an actual wealthy suburb of Boston.

Before the cultural revolutions of the 1960s, both neighborhoods shared many sociological characteristics. Today, the divergence is clear. Two of the foremost examples are marriage and the family.

"Over the last half century marriage has become the fault line dividing American classes," Murray writes. Statistics bear out that truth. In 1960, the proportion of married couples ages 30 to 49 in working-class and upper-class towns were roughly equal: 84 percent in Fishtown and 94 percent in Belmont. By 2010, marriage rates had dropped precipitously in Fishtown (to 48 percent of whites) while remaining relatively stable in Belmont (83 percent).

Instances of divorce and non-marital births also skyrocketed in Fishtown during the same period, while remaining stable (and low) in Belmont. The result: an increasing divide in economic and relational stability between the blue-collar and white-collar Americans.

Despite the ruckus over economic inequality in the United States, the

formula for achieving a middle-class lifestyle is relatively simple. As Ron Haskins of the Brookings Institution has written, "If young people do three things — graduate from high school, get a job and get married, and wait until they're 21 before having a baby — they have an almost 75 percent chance of making it into the middle class." The problem is, fewer and fewer young people in Fishtown are following that path, while a high percentage of young people in Belmont do.

Two other factors that Murray discusses are declining religiosity and increasing secularization, a development that held true for both Fishtown and Belmont. The result has been a decrease in what he calls "social capital." Churchgoers are far more likely to be involved in their communities — both in a secular and religious sense — than non-churchgoers. Culture has suffered as religious attendance and adherence have declined.

Murray also shows declines in industriousness and honesty. He traces a significant decline in work ethic among men in Fishtown. In the 1960 census, about 9 percent of working-age Fishtown men were not in the labor force. In the 2000 census, that number had jumped to 30 percent.

While acknowledging that the blue-collar job field is far sparser today than in the 1960s, Murray doesn't see this as fully explaining the decline in work ethic. Many men are unwilling to take less-than-ideal jobs simply to sur-

vive, he writes, instead tending to goof off and watch television.

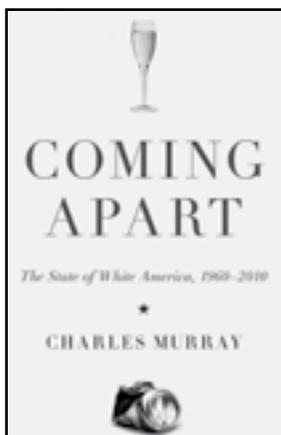
"[White] males of the 2000s were less industrious than they had been 20, 30, or 50 years ago, and that decay in industriousness occurred overwhelmingly in Fishtown," Murray writes.

Overall, *Coming Apart* is a concise statistical summary of the consequences of the cultural revolutions of the 1960s. Consider that in 1963, there was no culture war. The reason wasn't because traditional Christians did a better job of minding their own business; it was because Americans — regardless of faith, race, or gender — generally shared the same attitudes on marriage, family, and sex.

If a young couple became pregnant, the man was expected to marry his girlfriend and provide financial support. Adultery was denounced universally, and divorce was rare (a divorced person headed just 3.5 percent of American households in 1963). Young people got married early, had children, and stayed married. Television was clean, and so, for the most part, were films. Americans were overwhelmingly religious. Crime was low. Alcohol and tobacco were common, but illegal drugs were rare.

Culture wasn't perfect by any stretch of the imagination, but the country shared a cultural core. Today, that core is eroded, with Americans divided down the middle on the most essential matters of life. *Coming Apart* traces that decline in vivid detail.

Although the book can be "wonkish" and heavy on Census data — so much so that it's easy to get lost in the weeds — Murray's latest offering makes a critical point. It's a must-read for any serious observer of contemporary American culture. CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business

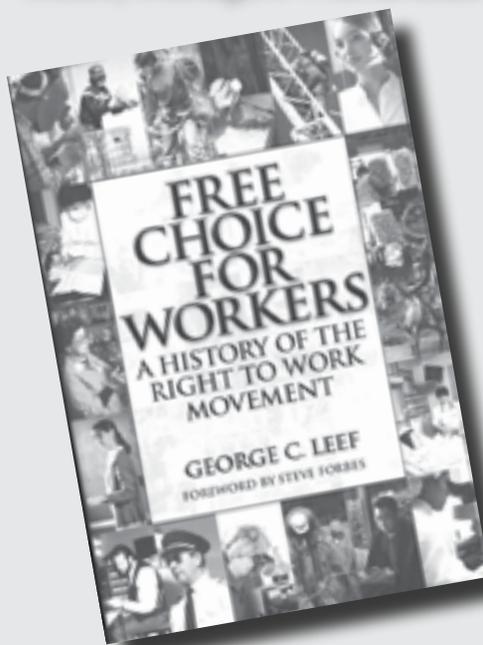


"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

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COMMENTARY

Austerity vs. Growth: A False Dichotomy

The headline at ABCNews.com reads "President Obama, Bill Clinton Stump on Growth vs. Austerity Agenda." While referring to the economic debate going on in Europe, Britain's *New Statesman* displays the headline "The Austerity vs. Growth Argument is Hotting [sic] Up."

Here is the picture: The economy, whether here or in Europe, appears to be slipping into another recession. (Yes, we've been out of recession since June 2009.) At the same time, government debt and deficits, both here and in Europe, are at record levels. Austerity measures that reduce government spending, it is argued, will hurt the economy by stifling economic growth. Continuing the deficits and increasing spending, on the other hand, will stimulate the economy. What is needed? More "stimulus spending." This would keep the economy from slipping back into recession, making the deficits worse. Former President Clinton put it this way:

"If you do not have economic growth, no amount of austerity will balance the budget because you will always have revenues go down more than you can possibly cut spending."

Clinton is partially correct; economic growth in the private sector does increase revenues to the government. As income grows, so do tax revenues. The problem with the Obama-Clinton line of reasoning is that in their world there is a trade-off between austerity — reducing government spending to control deficits — and economic growth. But government spending does not stimulate; it depresses. Government austerity and private-sector prosperity are complements, not substitutes.

The premise behind the growth vs. austerity fallacy is that government spending has no opportunity costs. It is the same reasoning that prompted the president's recent "the private sector is doing fine" comment. It is also the kind of analysis that was the underpinning of President Obama's 2009 stimulus package and President

Bush's stimulus bill the year before.

In the "growth vs. austerity" view, the focus is on spending as opposed to saving, which is considered a "leakage" from the economy. The economy, in this view, is the sum of aggregate consumption spending, investment spending, and government spending. Each of these is in its own hermetically sealed box.

So when the government spends money, it does so at no cost

to private consumption or investment, so long as there is no corresponding tax increase, i.e., so long as it is financed with deficits. Oddly enough, if government spending is financed by taxes, it is acknowledged that the spending comes, at least to some extent, at the expense of the private sector. But if the money is raised through borrowing instead of taxing, it is treated as

free. This defies logic.

Public-sector growth must come at the expense of the private sector, where real production, i.e., the provision of goods and services demanded by consumers, takes place. Government austerity leaves more income and resources in the private sector, available for entrepreneurs, investors, and consumers. The public sector cannot expand without diverting resources from the private sector.

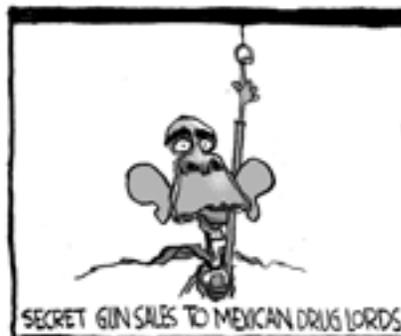
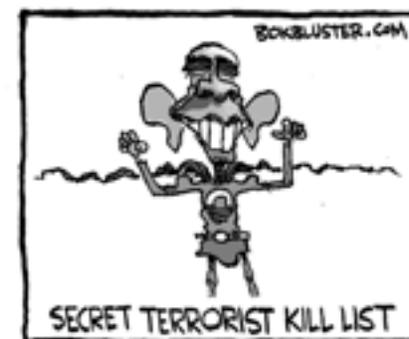
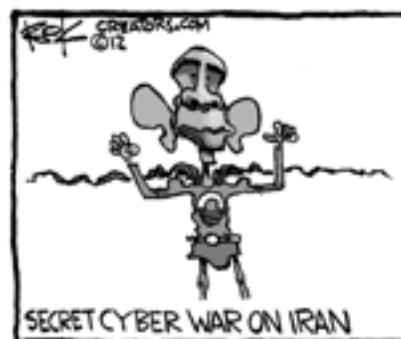
Government growth is not just a one-to-one trade-off with private-sector growth. This is because of the inherent inefficiencies in the government allocation of resources, which is driven by political concerns and special-interest pleadings and lacks the incentives created by a system of profit and loss.

Unfortunately, the austerity vs. growth fallacy is the guiding force behind economic policymaking in the Obama administration. Unless and until this fundamental error in the understanding of economics is corrected, the country will not show significant progress toward vigorous economic growth and job creation. *CJ*

Dr. Roy Cordato is the John Locke Foundation's vice president for research and resident scholar.



**ROY
CORDATO**



EDITORIAL

Eugenics Victims Must Wait

The 2011-12 session of the General Assembly squandered an opportunity to address one of the most shameful policies in North Carolina history: the eugenics program, which sterilized thousands of North Carolinians who were considered by state officials to be unfit to have children.

To their credit, lawmakers in the Republican-led General Assembly at least attempted to accomplish something Democratic-led legislatures had not. A measure offering modest compensation (\$50,000) to every living victim of the sterilization program passed the state House by a bipartisan 86-31 margin. But the proposal died in the Senate and, at press time, it appeared unlikely to be resurrected before lawmakers go home.

By no means would a \$50,000 cash payment serve as full restitution for the indignities our state government imposed on the several hundred victims still living. But it is more meaningful than the apology fellow then-Gov. Mike Easley offered them nearly a decade ago, and it would acknowledge, in a tangible way, that for decades an official policy of North Carolina was a moral outrage.

A task force created by Gov. Bev Perdue estimated that more than 7,500 North Carolinians were sterilized between 1929 and 1974 under a 1929 law "to Provide For the Sterilization of the Mentally Defective and Feeble-Minded Inmates of Charitable and Penal Institutions of the State of North Carolina." Though most states with eugenics statutes wound down their programs after World War II, North Carolina's sterilizations accelerated. And in the program's latter years, blacks were sterilized at disproportionately higher rates than whites.

The early 20th-century Progress-

sives embraced ideas of racial purity and "improvement," and respected groups such as the Carnegie Institution and the Rockefeller Foundation, along with cereal magnate J.H. Kellogg, funded eugenics research and advocacy.

North Carolina passed eugenics laws in 1919 and 1929, and formed a Eugenics Board in 1933 that authorized forced sterilizations "for the public good." Penal institutions and mental hospitals asked the board to authorize the sterilization of individuals; if the individuals did not grant consent, officials would seek to get it from relatives, spouses, or guardians. The final eugenics-related sterilization was in 1974.

In the House, Speaker Thom Tillis, R-Mecklenburg, moved forward with a compensation plan even though he did not have the full support of his own party's caucus. Senate Leader Phil Berger, R-Rockingham, also faced some resistance from fellow Republicans — some saying that Democrats should have provided compensation when they were in charge — and chose not to adopt the same measure.

For their part, Democrats engaged in cynical gamesmanship, as Sen. Clark Jenkins, D-Edgecombe, introduced a measure providing compensation to victims that he knew would never pass; funding would come from a tax increase that was unacceptable to the Republicans who dominate the upper chamber.

We don't care why the legislature failed to be accountable for this official injustice. It's our hope that the next session of the General Assembly will set aside trivial concerns and begin to close this ugly chapter of our state's history.

EDITORIALS

Mediocre Not Enough

N.C. deserves better school results

A generation ago, educational attainment and quality in North Carolina ranked low by national standards. We had a low rate of high school graduation. Our students ranked low in reading, math, and college readiness. In 1992, more than 60 percent of North Carolina students lacked even basic math skills.

Today, North Carolina's public schools look better by nearly all measures. Our reading scores are roughly at the national average, with our math scores slightly above and our science scores slightly below. Only 25 percent of our students now lack basic math skills, for example. Our four-year graduation rate is within a few tenths of a percent of the national average.

In short, public education in our state used to be abysmal. Now it is mediocre. This is progress — but we have a long way to go if our goal is to lead the nation and compete with other countries. The next generation of North Carolina leaders should push for:

- Higher academic standards. We still ask too little of our students, and fill the curriculum with bunk and happy talk. States and countries with truly exemplary performance tend to set high expectations and assess student progress with rigorous, independent tests.

- Better teachers. Many high-achieving states and countries hire and pay their teachers according to demonstrated performance. We should junk our current salary schedules, restrict or abolish teacher tenure, give principals more tools with which to manage their employees, and hold everyone accountable for results.

- Greater choice and competition. We should continue to promote parental choice among public schools while also expanding access to private alternatives through scholarship programs, tuition tax relief, and education savings accounts. There is now compelling evidence that choice and competition affect student performance.

There have been a number of high-quality studies of the effects of choice programs in Milwaukee, New York, Washington, Charlotte, and other cities. Most find gains in either math or reading scores, or both, for at least some subset of students when compared to a control group.

If we want North Carolina's educational level to rise from mediocre to exemplary, we should embrace a reform agenda of higher standards, better teachers, and greater choice. The economic, fiscal, and social returns would be massive. CJ

TABORing Excess

We need a Taxpayer Bill of Rights

Now that the General Assembly has finished its 2012-13 spending plan, it's not too early to be thinking about what the state's fiscal policy choices will be in 2013.

There will be a new governor. There will be many new members of the General Assembly. So there's already a lot of talk about the possibility of major tax reform.

But reforming the tax code isn't enough. Unless North Carolina also reforms the budgeting process, some future governor or legislature might respond to a future budget deficit by raising tax rates.

There's a way to hedge this risk. Any tax reform should be accompanied by a Taxpayer Bill of Rights that caps spending growth, discourages tax hikes, and rebuilds the government's balance sheet through prudent savings and debt-retirement strategies.

Our state budget now faces constitutional constraints, such as the requirement that our operating

budget must be balanced with current revenue.

Because of ambiguities, loopholes, and a lack of enforcement tools, however, current safeguards do not sufficiently balance legislative power with that of the executive or judicial branches, or the interest of current spending recipients with the interest of future taxpayers.

A TABOR for North Carolina should cap annual spending growth to a combination of inflation and population growth. It should require a legislative supermajority to raise tax rates. And it should require all revenues in excess of allowable spending growth to be deposited in the state's rainy day reserve. Once the reserve reaches 10 percent of the General Fund, additional revenues should be rebated to taxpayers.

Stronger constitutional limits on fiscal recklessness will strengthen North Carolina's economy by ensuring that today's pro-growth reforms are not undone. CJ

COMMENTARY

Surviving The Big Sort

If you see the two major political parties as more polarized and more ideological than they used to be, congratulations! Your Spidey sense is working. But let's be sure to interpret those tingles accurately.

According to a new survey from the Pew Research Center, Democrats and Republicans are further apart today than they were in the past on many issues.

The gap is particularly wide on welfare spending and environmental regulation. The average Republican is much less supportive of these policies today than the average Republican was in 1987.

The gap between the two parties on welfare support went from 23 percentage points in 1987 to 41 points in 2012. The partisan gap on environmental regulation is now 39 points, versus only five points in 1987.

But it isn't just that the average Republican has moved rightward. The average Democrat also has moved leftward, particularly on social policy. When asked if "we should make every effort to improve the position of minorities, even if it means preferential treatment," a majority of Democrats today say yes, versus only a third in 1987. Few Republicans say yes. The gap here is now 40 points, compared to 18 points in 1987.

We are talking about average differences between the two parties. These findings do not show Americans as a whole to be more hostile toward each other, or to hold more "extreme" views, or to have moved rightward or leftward overall during the past 25 years.

What really happened is a sort of political Big Sort. Conservatives who used to be "boll weevil" Democrats have now become Republicans. Liberals who used to be "gypsy moth" Republicans have become Democrats. And many moderates who used to identify as partisans now identify as independents.

In short, the political brands "Democrat" and "Republican" convey more ideological information. By the conventional definition, most partisan Republicans are conserva-

tives. That wasn't always true.

North Carolina is an excellent place to start if you seek to understand the causes and consequences of the Big Sort. For most of our history, regional and cultural factors played a major role in determining party affiliation. If you resided in eastern North Carolina or large swaths of the Piedmont, you

almost certainly were a Democrat. If you resided in parts of the western Piedmont and mountain counties that were settled overwhelmingly by subsistence farmers rather than slaveholders, and felt slighted by Raleigh, you probably were a Republican.

Regional and cultural factors explained party affiliation elsewhere in the country, too.

As a result, the two parties were coalitions within which very different political constituencies clashed. North Carolina has long had competitive statewide elections for governor and U.S. senator, for example. But until the 1970s, they occurred in the spring, on the day of the Democratic primary, rather than in the fall election against token GOP opposition.

Since the 1970s, however, the two parties have become ideologically more consistent. Labor unions and abortion-rights groups withheld support from wayward Democrats. Anti-tax groups and social conservatives withheld support from wayward Republicans.

As a result, the two parties got smaller and more cohesive. Independents now make up 38 percent of the electorate (though the "true" swing vote is 12 percent, if you subtract independents who lean D or R). They tend toward a mixture of political views.

It's hard for me to see this as bad news. Distinct party brands have given voters more information and made Tar Heel politics more competitive, especially down the ballot. Swing voters still tip the balance. I think we'll survive the Big Sort. CJ

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Public Broadcasting

Since its creation in 1967, public broadcasting has faced criticism from many quarters. Some say it's biased, others say it bends to political influence, and others say it should not receive public funding. Trevor Burrus of the Cato Institute argues that public broadcasting should be transformed into a noncommercial nonprofit operation that doesn't receive public funds.

The amount of taxpayer money that supports public broadcasting is difficult to track. Congress appropriates money to the Corporation for Public Broadcasting, which dispenses grants to public radio and television stations throughout the country as well as to content creators. Public radio and television stations in turn acquire programming from a variety of sources, some of which are subsidized, some of which aren't. Public broadcasters spend a lot of time fighting to preserve a relatively small portion of their overall revenues.

This public money comes with strings attached. As Burrus notes, government will not fund a media service that is immune to its interests and power.

Moreover, the growth of original programming on cable television channels and the Internet makes the rationale for continued tax funding of public broadcasting less obvious.

"In short, public broadcasting needs to become more what it is — an avenue for solid, entertaining programming — and less what it isn't, but pretends to be — a nonexclusionary, neutral entity that broadcasts 'in the public interest,'" says Burrus.

Los Angeles bag ban

Los Angeles may ban the distribution of plastic and paper bags in grocery stores. The proposed ban imposes significant costs and few benefits, writes Jay Beeber for *Reason*.

Three arguments are being made supporting the ban: It would reduce the amount of waste entering landfills; it would reduce litter; and it would help protect the environment. None are compelling. Studies from around the country show that plastic retail bags usually make up only 1 percent to 2 percent of all litter. In San Francisco, plastic bags made up 0.6 percent of all litter before the city prohibited retailers from distributing them and 0.64 percent of litter a year after the city banned them.

The impact of plastic bags on landfill usage is trivial. A California report shows that "plastic grocery and other merchandise bags" make up 0.3 percent of the state's waste stream.

The alternative that Los Angeles would force on its residents, reusable woven bags, carry environmental costs of their own. Unlike plastic or paper bags, they are not recyclable. Reusable bags also can contain large amounts of bacteria, including *E. coli*. The reusable bags are supposed to be washed after each use, requiring large amounts of energy and water. CJ



Why Interest Rates Are Super Low

Many of us love to hear when new records are set. I particularly like major league baseball, so when a player establishes a new hitting, pitching, or fielding record, I get excited.

Recently, an economic record was set. The interest rate on 10-year U.S. Treasury notes fell to under 1.5 percent, the lowest ever. U.S. Treasury notes simply are investments with the federal government that help fund the national debt. The low interest rate is telling us the federal government doesn't have to pay much to attract investors.

The 10-year U.S. Treasury note rate also is the benchmark for other long-term interest rates (such as for mortgage loans), so these rates are at — or close to — all-time lows.

So what do these interest rate trends mean? Are they good or bad news for the economy?

One way to look at an interest rate is the price of borrowing money to use now and repay later. The interest rate is the "balancing lever" that makes the amount of money that some people want to borrow equal to the amount of money that other people are willing to lend.

Clearly, therefore, one group that benefits from low interest rates is borrowers. And one entity taking advantage of today's low interest rates is the federal government. Although the national debt has risen by almost \$5 trillion since 2008, annual interest paid on the national debt has actually dropped. The reason: the decline in interest rates.

Of course, the flip side of cheap costs for borrowers is low earnings for investors in accounts like money market funds and short-term certificates of deposit. This is why — until recently — investors have been moving money into the stock market.

Actually, there is a way for investors to make good money on interest-sensitive investments like bonds and U.S. Treasury securities when interest rates fall.

Let's say you bought a 10-year U.S. Treasury note earlier this year, when it paid 2 percent, for \$10,000. Today new 10-year Treasury notes pay

close to 1.5 percent. Since these investments can be bought and sold, your 2 percent note is more valuable than new 1.5 percent notes. In fact, in this example, you would be able to sell your 2 percent note for approximately \$13,000.

Of course, to make such a deal, you had to purchase the 10-year Treasury note before the drop in interest rates.

What this example also shows is that to make money on interest-sensitive investments, you have to understand what moves interest rates up and down. Such an understanding also helps explain why interest rates are so low today.

As with most aspects of economics, we look to demand-side and supply-side factors behind interest rate movements. The demand-side answer to today's low interest rates is rather simple — although consumers have begun borrowing again, total credit amounts are still below prerecessionary levels. Consumers continue to be cautious about the economic outlook, and this caution has translated into a new frugality about personal finances.

There's a secondary demand-side impact coming from investors. As economic worries — particularly in Europe — have increased, investors have fled to the perceived safety of U.S. interest-sensitive investments, like the 10-year Treasury note discussed above. And when there are more buyers for such investments, the interest rate needed to attract buyers falls.

The supply-side actions — mainly by the Federal Reserve — also have contributed to the low-interest-rate environment. The Fed wants to keep interest rates low and credit supplies plentiful to spur borrowing, spending, and job creation. It tries to accomplish this goal using three methods: directly lowering interest rates its controls, printing money, and buying interest-sensitive investments. The Fed has said it will continue these actions for the foreseeable future.

We saw very low interest rates before — a decade ago at the dawn of the housing boom. If today's super-low rates eventually kick-start an investment boom, then let's hope the Fed is ready this time to head off another boom-bust cycle. CJ

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



MICHAEL WALDEN

Is Juridical Democracy Gaining Adherents?

My wife might not believe it, but sometimes I do think. Most recently, the old brain was prodded into action by a *News and Observer* story about a \$3,500 annual tax break given by the state to partners in businesses — including lawyers and doctors. Harvard professor Larry Lessig's recent highly entertaining presentation about money in American politics given at the John Locke Foundation provided further stimulation for the gray cells.



**ANDY
TAYLOR**

I got especially to thinking about an old term that does not seem to get much attention these days: juridical democracy. It has its roots in Locke's *Second Treatise* and the 17th-century English philosopher's call for laws to be applied equally to all — quite a radical idea for its time. A century later the French Enlightenment thinker Jean-Jacques Rousseau argued public policies should “consider subjects en masse and actions in the abstract, and never a particular person or action.”

The term was coined in the late 1960s by political scientist Ted Lowi. Lowi promoted it as an antidote to “interest group liberalism” — the idea that the political parties and elected

officials did not make policy applying general, consistent, and clear principles but instead “paid off” supporters with favorable exceptions that advantaged them over others. He argued the problem was not just that the Democrats had become a party beholden to labor and the Republicans one blindly serving the interests of business. It was that politicians favored certain industries over others and even certain firms over their direct competitors.

Largesse was distributed based on politics, not the social value that it added. To the uninitiated who could not see or understand the political machinations, the distribution of goodies seemed completely arbitrary. Why is the oil and gas industry more heavily subsidized than engineering and construction? Why are cotton and dairy farmers subsidized, but fruit and vegetable farmers not? These questions are not answered easily by those who see policy decisions as a function of their makers' ideology or intellect.

It wouldn't be quite so bad if government mitigated against unfair disadvantages to equalize opportunities. But narrowly targeting subsidies and issuing contracts to your favorites is much easier than tackling broad problems.

Juridical democracy has many virtues. It is transparent in that people more easily understand public policy and how they are supposed to behave. Elected officials focus on the big

concerns, the general principles that should shape a society. The principles guide policies in specific issue areas. In a juridical democracy, Congress would produce less legislation, and members would spend their time deliberating fundamental rules. They would not have to attend to individuals' policy concerns. Federal agencies would produce many fewer regulations.

Juridical democracy also is easy to administer. Think, for example, of the amount of money, effort, and time saved by the implementation of a flat federal income tax that has no deductions. And it is not necessarily ideological. You can have a very simple progressive tax structure, too.

Government should not decide winners and losers, particularly among competitors that are similarly situated. In the economic realm, an evenhanded, simple, and broadly applied principle like the market is consistent with juridical democracy. In politics, institutions like legislative redistricting and the Electoral College might need some work because they treat voters differently.

Unfortunately, the application of juridical democracy will not be easy. American politics traditionally are parochial, even though a strong federal system is supposed to make Washington less so. Today it still is difficult to argue with Alexis de Tocqueville's observation made in the 1830s that Americans consider a mem-

ber of Congress their proxy and “they flatter themselves that he will not be less zealous in defense of their private interests than of those of the country.” Polls show a plurality of citizens want their representatives to attend to the needs of their districts and states before those of the nation. Despite their national constituencies, presidents have to make deals with legislators to get their agendas through Congress and therefore constantly are supporting policies that grant exceptions to privileged groups and individuals.

There are, however, some encouraging signs. Members of Congress slowly have been working toward an outright ban on earmarks — targeted spending provisions that sidestep the merit-based and transparent grant-making and procurement processes. Democrats and Republicans alike seem to believe tax simplification is an important part of the solution to the country's current fiscal mess. Cases for broadening the base and eliminating deductions, merging individual and corporate tax structures, and treating wage and investment income similarly if not identically clearly are resonating. Although juridical democracy cannot be imposed on them, policymakers in Washington at least are making a start. CJ

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

Status Quo Not OK in North Carolina

My friends on the Left keep saying things aren't so bad. We just need to spend more money to keep doing the same things, and everything will be fine.

Who are they kidding? Let's be honest. Things aren't so great in North Carolina.

Unemployment has been at 9 percent or higher for 41 months, one of the worst unemployment rates in the United States, and worse than in even France or Italy. We offer more generous unemployment benefits for a longer period of time than any of our neighboring states. We can't afford it and have chalked up a \$2.6 billion debt to the federal government to keep paying those generous benefits.

In a recent survey of business owners, North Carolina's regulatory environment got a C-, the worst grade in the South and one of the worst in



**BECKI
GRAY**

the country.

We are tied for 12th in the country for the highest number of occupations requiring licenses — 107 different occupations. Barbers, boxers, and even librarians have to be licensed in North Carolina.

There are 23,754 rules in the N.C. Administrative Code. We have 47 more rules than we had 16 months ago. There are more than 5,000 rules just in Health and Human Services.

Our top personal income tax rate is the 11th highest in the country, our sales tax system is the fourth worst, and our gasoline tax is the sixth highest. Compared to 23 developed nations, if North Carolina were a country, we'd have the highest corporate tax rate in the world, and one of the highest on dividends or capital gains from corporate stock.

And when there wasn't enough in tax revenue, politicians just borrowed more. Our tax-supported debt is \$7.1 billion, total bonded debt is over \$53 billion, and our annual payment on reserve and debt service is over \$1 billion, 4 percent of the state's budget!

Budget decisions over the last two years have led to teacher cuts — a few hundred rather than the tens of thousands the Left claims. To put that in perspective, North Carolina employs more than 95,000 teachers. The question should not be how many teachers have we hired or fired, but how many do we need to get the job done?

Funding for education in North Carolina is about average nationally, although the level of funding does not guarantee good results. Other countries that spend less but get better results than North Carolina include South Korea, Finland, Canada, Australia, Germany, and France.

More than 20 percent of our students do not graduate from high school on time, and of those who graduate and go to community colleges, 66 percent have to take remedial classes in English or math.

Only 37 percent of our eighth-graders are proficient in math, 31 percent in reading, and 26 percent in science. Fewer than 60 percent of in-state students at UNC campuses graduate within six years.

There's bad news on the transportation front as well. Thirty percent of our bridges are rated deficient, 10th worst in the country. Sixty-one percent of our urban interstates are congested, ninth worst in the country. The American Society of Civil Engineers gave us a C- for overall infrastructure. The U.S. Chamber of Commerce ranks us seventh lowest in the country in transportation infrastructure.

Medicaid is the fastest-growing part of our state budget, \$12 billion, 15 percent of state spending. Recent reports disclose millions of dollars wasted in an \$851 million billing system upgrade, and estimates of fraud exceed \$200 million. There are no reserves, so when costs run over they result in unexpected shortfalls we can't pay: \$94 million for the fiscal year that just ended and up to \$250 million for the new one.

Sorry, friends. Things are not great in North Carolina. Good decisions from the General Assembly are turning things around, but the status quo is not OK. CJ

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

John Edwards Develops New Hair-Care Product Line (a CJ Parody)

BY PAUL MITCHELL
Grooming Correspondent

RALEIGH

Former U.S. senator and presidential candidate John Edwards soon will launch his own brand of hair care products for men.

Edwards said he began thinking about hair care opportunities after seeing the deluge of photos and video clips of him entering and leaving the federal courthouse in Greensboro during his recent six-week trial for campaign finance violations.

"I am real proud of my hair, but occasionally a gust of wind catches it, and it looks weird," the former Democratic U.S. senator and vice presidential nominee said.

"I have since developed a proprietary substance similar to the old product Brylcreem that is highly wind-resistant, plus it makes hair all shiny without any greasy feel," he said.

Edwards has settled on a name for his new product. "I am going to call it Riellecreem," he said, after his former mistress Rielle Hunter. "Like Brylcreem, a little dab of Riellecreem is all you will need."

He said he is hopeful this homage to Hunter will help patch things up between the two. Hunter now lives in Charlotte with their 4-year-old daughter.



John Edwards says his planned hair product will prevent wind embarrassments like this one recently at the federal courthouse in Greensboro. (CJ Photo by Don Carrington)

Edwards has formed a company named Roots Products to produce Riellecreem and is negotiating with the owners of a vacant manufacturing building in Robbins, the Moore County town where he grew up.

Edwards said he hopes to obtain economic development incentives just like any other new business, and is already discussing his plans with the North Carolina Department of Commerce and Gov. Bev Perdue.

The jury acquitted Edwards on one count of receiving illegal campaign contributions. After the jurors could not reach a consensus on five other felony charges, the judge declared a

mistrial. Federal prosecutors on June 13 dropped all charges against Edwards.

Edwards told *CJ* that he did many things wrong but always believed that he didn't break any laws. "I am relieved the case is over, and I look forward to the challenges of being an entrepreneur," he said. He also said his legal battle with the federal government over alleged campaign finance violations was extremely expensive and he needs money.

Edwards' hair has been in the news for nearly 10 years. *The New York Times* first reported in 2003 that President George W. Bush's political operatives had nicknamed Edwards the

"Breck Girl of politics," implying he was merely a pretty boy in an empty suit. Edwards' critics brought that label up again in 2007 when the public learned he used campaign funds to pay for \$400 haircuts.

Then a 2007 video that was posted on YouTube, set to the tune of "I Feel Pretty," appeared. It showed Edwards meticulously primping, fixing his hair and applying makeup prior to a television interview.

Rather than be defensive about what he sees as one of his most valuable attributes, his hair, Edwards has decided to tackle the issue head-on and turn it into an asset for profit.

He says he believes men are going to love Riellecreem, and when the product takes off he expects to employ as many as 150 people.

To make sure Riellecreem has superior holding properties compared to other men's haircare products, Edwards said his plans for the Robbins facility include a wind tunnel and a centrifuge for product testing. But he said initial demonstrations of Riellecreem surpassed his expectations.

"We had the unofficial rollout when I was with Rielle and [daughter] Quinn at Topsail Island over Father's Day," he said. "Look at all the photos the paparazzi took of me. My hair was perfect in every one." *CJ*

An Investment Plan For N.C.'s Economic Recovery

The ongoing debate in Washington and the upcoming national campaigns for president and Congress will offer plenty of opportunities for pro-growth politicians to craft, explain, and sell reforms of the federal budget, federal taxation, federal regulation, and federal agencies and programs.



John Hood

In the new book *Our Best Foot Forward: An Investment Plan for North Carolina's Economic Recovery*, John Locke Foundation President John Hood tells North Carolina's policymakers and citizens that economic policy is not the exclusive domain of presidents, federal lawmakers, or the Federal Reserve.

States and localities can play critical roles in economic policy — for good or for ill.

We invite you to read and share this plan for our state's recovery with your family, friends, and co-workers. Go to <http://johnlocke.org> for more information.

