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Taxpayers Fund Easley Coastal Trips

Majority of aircraft trips
included leg to where
Easleys own two homes

By DON CARRINGTON
Executive Editor

RALEIGH

When Gov. Mike Easley and the first lady fly in state aircraft, most of their trips include a connection to Brunswick County, where the couple owns two homes. Easley does not reimburse the state for any portion of the coastal trips, although state documents apparently require that he do so.

Easley and his wife, Mary, flew on state-owned aircraft 237 days over the past four years, according to records obtained by *Carolina Journal* from the N.C. Department of Commerce, which is charged with managing the three aircraft available to the governor. The actual period of study was from Jan. 1, 2004 through April 10, 2008.

Easley or his wife were transported to the coast, remained there after an "official" event, or were picked up at the coast on 119 days. On 28 additional days the trip request form shows Easley or his wife planned a coastal connection, but the flight logs indicate plans changed and the official business became a round trip originating in Raleigh.

A total of 147 trips, or 62 percent, of



Gov. Mike Easley



The state's eight-passenger Cessna Citation Jet and 14-passenger Sikorsky Twin-Engine helicopter prepare for a recent departure from the Department of Transportation hangar at the Raleigh-Durham Airport. (CJ photo by Don Carrington)

the Easley's air-travel days were planned for or had connections to the Brunswick County coast. The Easleys own a home on the Cape Fear River in Southport and another house across the river on Bald Head Island.

Only 90 times, or 38 percent of the trips, did the Easleys plan to start a trip in Raleigh, carry out the trip, and return to Raleigh. The manner in which the Easleys use the state aircraft seems at odds with state policy.

"An employee traveling on official state business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds," the state budget manual states. It also states that "circu-

itous routes," meaning roundabout or nondirect routes, are prohibited.

The manual provides for elected and appointed officials to incorporate political functions as part of their travel, but the official must reimburse the state for all or a portion of political travel, depending on the nature of the overall trip.

"Travel reimbursement policies and regulations for all other travel for state officials is the same as for state employees," the manual says.

The governor and other users are to reimburse the Department of Commerce \$560 per hour for the turbo-prop,

State Response Lags Behind Water Needs

Environmental regs
proving obstacle
to new supplies

By DAVID N. BASS
Associate Editor

RALEIGH

N.C. policymakers have relied largely on mandatory water-use restrictions and voluntary conservation efforts to battle record-breaking drought. Some water-supply experts, however, say increasing the supply of potable water might be a better way to reduce the impact of future dry seasons.

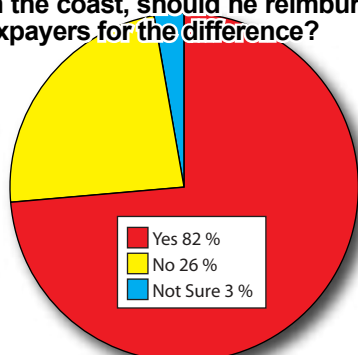
But that presents a problem: Local governments find it increasingly difficult to overcome environmental regulations that often delay bringing new water sources online years or even decades.

"The demands for water have significantly increased, but our raw water storage has not. That's due to a number of things, one being that it has become so environmentally sensitive to get a reservoir in place," said Woody Yonts, chairman of the Drought Management Advisory Council for the N.C. Division of Water Resources.

After experiencing the worst

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If Gov. Easley uses state aircraft instead of a car to travel to his homes on the coast, should he reimburse taxpayers for the difference?



Civitas Institute Poll, May 2008

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Taxpayers Funding Gov. Easley's Coastal Trips

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\$770 per hour for the jet, and \$770 for the helicopter. Reimbursement for political use is higher, and was recently \$1,025 per hour for the helicopter.

Easley's press secretary, Renee Hoffman, defended the trips. She said that Easley is governor 24 hours a day, seven days a week and that Crime Control and Public Safety Secretary Bryan Beatty determines the mode of travel to ensure the governor's security.

According to state law, the use of executive aircraft by the Department of Commerce for economic development purposes takes precedence over all other uses. If an executive aircraft is not being used for economic development purposes, priority of use shall be given first to the governor, second to the Council of State, and third to other state officials traveling on state business.

The Department of Commerce operates the aircraft, and all are based at the Department of Transportation hangar at the Raleigh-Durham Airport. They are available to the governor unless they are being used for economic development purposes. They are an 11-passenger Beechcraft King Air Turbo-prop, an eight-passenger Cessna Citation Jet, and a 14-passenger Sikorsky Twin-engine helicopter.

If Easley takes the jet, the connection is usually to the Brunswick County Airport, about 120 miles by air from Raleigh. The helicopter flies Easley to the airport, or more often to the Indigo Plantation Parks and Recreation field, which is closer to both of his homes. When connecting with the helicopter from Raleigh, he frequently boards it at the Highway Patrol base in Garner.

Other frequent flyers on the state aircraft were UNC Chancellor James Moeser, who made 71 trips, and State Treasurer Richard Moore, who made 46 trips. Unlike Easley's flights, all of Moeser's and Moore's trips appear to be solely for public business, where the trip started and ended in Raleigh. Neither was delivered to or picked up at locations not associated with the public business for which the aircraft were requested.

Typical coastal trips

At noon Sept. 2, 2004, Easley took the helicopter from Raleigh to Brunswick County for the grand opening of the Southport Boat Works. The helicopter returned to Raleigh without him, so he presumably stayed in Brunswick County.

On Sept. 7, 2004, the jet flew 120 miles from Raleigh to the Brunswick County Airport to pick up Easley. At 11 a.m. it took him to Hamlet, where he announced that Ritz-Craft, a Pennsylvania-based modular-home manufacturer, would build a plant in Hamlet. The jet was on the ground for one hour before



Gov. Easley's use of state aircraft

Summary for flights taken Jan. 1, 2004-April 10, 2008

Trips with no coastal connection	90
Coastal connections planned but changed	28
Coastal connections planned and completed	119
Total flights involving Gov. or Mrs. Easley	237
Total coastal connections (28+119)	147
Coastal connections as a percentage of total flights	62
Coastal connections percentage after election	68

Other flights not included above

Easley political trips for Hillary Clinton (outside study period)	Cost
May 2, 2008	\$1,230
May 3, 2008	\$2,767
May 5, 2008	\$3,177

Other frequent flyers	Trips
UNC Chancellor James Moeser	71
State Treasurer Richard Moore	46

Andy Griffith flown to Easley inauguration

Jan. 14, 2004: Jet picks up Griffith and his wife in Manteo
Jan. 15, 2004: Jet returns them to Manteo

Source: Governor's Office flight records
For a full list of flights go to
<http://johnlocke.org/site-docs/cjonline/easleyflights.html>

bringing Easley back to Raleigh.

At noon May 4, 2005, Easley took the helicopter to UNC-Wilmington for an unspecified education announcement. The helicopter was on the ground one hour and 15 minutes before it flew him to Brunswick County. The helicopter then returned to Raleigh without him.

On May 9, 2005, the jet flew from Raleigh to Brunswick County to pick up Easley. At 1:45 p.m. the jet took off for a 45-minute flight to Charlotte. There, Easley traveled to the Chamber of Commerce office to announce that Pulte Mortgage would open a processing center and hire 235 workers. The jet was on the ground 50 minutes before it took off to take him back to Raleigh at 4 p.m.

On March 2, 2006, Easley used the jet to travel to Winston-Salem for the dedication of a building at Forsyth Technical Community College. The jet was on the ground one hour and 25 minutes. Afterward, the jet took the governor to Brunswick County, where it left him while the aircraft returned to Raleigh.

On March 6, 2006, the jet returned to Brunswick County to pick up Easley. At 1:15 p.m. it flew him to Greensboro

and to Charlotte for economic development announcements. He arrived back in Raleigh at 5:30 p.m.

On May 17, 2007, the jet took Mrs. Easley, a state trooper, and an assistant to New York. The jet returned to North Carolina and the trio flew commercially to France. The purpose was a "museum-buying trip and also to visit Compiègne, which is Raleigh's sister city," Hoffman said. They returned to New York on May 25. The jet flew from Raleigh to pick them up and then to Southport to take Mrs. Easley to the coast. The jet returned to Raleigh with the other two travelers.

On Nov. 8, 2007, Mrs. Easley and Cultural Resources Secretary Libba Evans took the Beechcraft King Air from Raleigh to Teterboro, N.J. The purpose of the three-night trip was to attend "an official reception for William Ivey Long, the Tony Award-winning costume designer and North Carolina native," Hoffman said. The plane returned to Raleigh without them. On Nov. 11, the jet went from Raleigh to Teterboro to pick up the travelers. It took Mrs. Easley to Brunswick County before returning to Raleigh.

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State Response to Growth, Drought Lags Behind Water Needs

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drought since records were first kept, North Carolina is returning to normal water levels. By mid-May, half of the state's water systems were still under mandatory or voluntary water-use restrictions, but only 17 counties, all in the southwestern part of the state, remained in extreme drought.

Faced with parched conditions and dwindling water supplies, state officials have lobbied to increase government control to handle shortages caused by rising demand.

In March, Gov. Mike Easley announced a legislative drought relief package that requires large private water users to register with the state and report their usage. The plan also tightens conservation standards and expands enforcement authority.

The General Assembly's Environmental Review Commission approved the plan at a hearing May 19, but some lawmakers expressed doubts about the package before giving their endorsement.

Farm lobbyists oppose the plan because it requires farmers to register with the state and report their water consumption, while property rights activists worry that streamlining the drought management process would expand state government's control over residents' private property.

One obstacle the plan fails to address is supply. Some regions of the state suffer from too few waters sources to begin with, and rapid population growth only compounds the problem.

Growing pains

North Carolina's population has grown from 5.7 million residents in 1977 to 9.1 million in 2007, according to data from State Demographics. Much of that increase is concentrated in urban centers. Charlotte and Raleigh, for example, rank as two of the fastest-growing metro regions in the country.

But new residents put an added strain on the state's infrastructure and natural resources, and shortages are developing because of rising demand.

"North Carolina has always been known as a water-rich state. It's humid and has lots of rainfall on average every year," Yonts said. "But as more people find out about how wonderful this place is, they're coming, and since our supplies haven't increased as much as they probably should have, our demand has gone up and increased water use."

The amount of water used by industrial, commercial, and residential consumers combined rose by 27 percent during the 1990s. The two counties that registered the heaviest overall drains on the water supply in 2000 were Mecklenburg and Brunswick. Guilford and Buncombe counties had the highest rates of domestic water use.

Raleigh was one of the cities particularly hard hit during the height of the drought. Falls Lake, the capital city's sole supply of drinking water, reached record low levels during the closing months of 2007. Officials predicted the reservoir would go dry by summer if parched conditions continued, but plentiful rains this year restored water levels to normal.

Increasing the number of water supplies in a metropolitan area can help reduce future strain caused by drought, said Phil Fragapane, an engineer with the Division of Water Resources.

"Responding to water supply impacts due to drought is about either increasing water supplies or decreasing water demands," he said. "In the cases where expanding existing water supplies is feasible, this is one option for dealing with the impacts of drought."

Despite escalating demand for municipal water, it's been years since a major impounding reservoir



Shown above is the Falls Lake Dam. The lake behind the dam is currently full. (CJ photo by David N. Bass)

went online in North Carolina. Randleman Dam and Lake, in the Triad, is one of the newest. The lake is expected to go into service after its water treatment plant opens in two years.

The West Fork Eno Reservoir, which services Hillsborough, is another source completed recently, although its water capacity is smaller than that of Falls Lake. Plans are also moving forward for a 1,300-acre reservoir along the First Broad River in Cleveland County near Charlotte. The Corps of Engineers is still considering the proposal.

Environmental roadblocks

State and federal environmental regulations often mean lengthy delays for local governments wanting to increase municipal water supplies. "It's getting difficult to find these windows of opportunity where there is a suitable place environmentally and hydrologically to add additional storage through a new reservoir or expansion of an existing one," Yonts said.

The primary purpose of reservoirs is to control floodwaters, not create a supply of drinking water, according to Penny Schmitt, chief of public affairs for the Wilmington District of the U.S. Army Corps of Engineers. The Corps has a say in the permitting process since reservoirs affect protected regions.

"The reason the Corps gets involved is because usually a reservoir is built making use of a natural stream in some way. That would interfere with the stream and associated wetlands," Schmitt said.

Creating a new reservoir often takes decades. The history of Randleman Lake, for instance, dates to 1968 when Congress authorized \$11 million to fund the project. The Piedmont Triad Regional Water Authority took over construction in 1987 after the Corps of Engineers withdrew support, deciding the cost of the reservoir outweighed its flood-control benefits.

If a city wants to build a reservoir, it has to secure enough land and seek an individual permit in accordance with both state and federal wetlands regulations, Schmitt said. The Endangered Species Act can play a role in permitting if endangered wildlife is present on

the site designated for the reservoir.

Regulatory agencies also require builders to mitigate any environmental damage by restoring an amount of wetlands equal to the number of acres affected by construction.

Officials in Canton, Ga., found out recently just how thorny the permitting process can be. Stretched by growth, the city, in conjunction with the Cobb County-Marietta Water Authority, decided in 2005 to build a reservoir to increase its supply of drinking water.

Part of the process required working with the State Fish and Wildlife Service to protect endangered species on the reservoir site and obtaining a biological opinion that builders agreed to uphold before, during and after the project, according to Cole Blackwell, manager of Canton's Hickory Log Creek Dam and Reservoir.

The city also had to estimate how much damage construction of the new reservoir would cause. "We had to mitigate that damage," Blackwell said. "For example, if ten acres of wetlands are destroyed, we had to replace ten. And we had to find [a given amount] of miles of stream and restore them."

The mitigation requirement was the aspect that made the project particularly tough, Blackwell said. "That was a huge part of this thing. That process cost almost as much as the dam itself," he said.

Smaller options

Local governments and municipalities can seek to quench rising water demand by constructing smaller facilities on existing lakes, but the process is still protracted.

Raleigh is pursuing this option. The city is in the process of building a new water treatment plant that will draw from Lake Benson and Lake Wheeler. The plant is expected to be online by 2010. Once operational, it will supplement Raleigh's only other water treatment plant near Falls Lake.

Getting the new plant permitted was "arduous," said Dale Crisp, director of the public utilities depart-

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State Lags Behind Water Needs in Response to Growth, Drought

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ment for Raleigh. The process took 5 1/2 years from the city's first discussions with the state and federal regulatory agencies until the utilities department was able to break ground, Crisp said.

"It was surprising. We didn't anticipate it taking that long," he said.

The Fish and Wildlife Service played a role in the approval process, since a region downstream from the plant was designated habitat for the dwarf wedge mussel, an endangered species.

Raleigh has pursued other avenues of increasing water supply, too. The city has asked the Corps of Engineers to boost water storage capacity in Falls Lake by increasing the guide curve by two feet, but the Corps has resisted the idea because it would limit floodwater mitigation.

Dredging the reservoir to increase water capacity is also not a feasible option, Schmitt said.

"Any reservoir the Corps has ever built has been built to take advantage of a river value. Nobody has ever undertaken work to deepen a natural feature like that," she said. "If you were going to do it, you would have to find a place to put all the material you removed. That's not easy."



Durham's Little River Reservoir, which was down to a few days of water remaining last winter, is now filled to the brim after spring rains. (CJ photo)

Groundwater regulations

Environmental regulations might delay the creation of new municipal water supplies, but some users of non-city water say burdensome government parameters are targeting well owners, too, and putting their private property rights at risk.

About half of North Carolina's population relies on groundwater

sources for drinking water, according to the N.C. Groundwater Association. The N.C. Division of Water Quality regulates construction of individual private wells, but legislation approved by the General Assembly in 2006 has homeowners worried that more intrusive monitoring procedures could be in store.

The bill, H.R. 2873, directs counties to work through local health depart-

ments "to implement a private drinking water well permitting, inspection, and testing program." The measure requires collected samples of well water be sent to the State Laboratory for Public Health in Raleigh for testing.

That's prompted opposition from property rights organizations who say the legislation is an effort to keep tabs on residents who own private wells. The activist group Citizens for Change in Buncombe County is circulating a petition asking the legislature to overturn the new well-water regulations.

"We feel like they are collecting information on everybody who has wells so that eventually they'll know who we all are," said Peggy Bennett, program director for Citizens for Change.

The cost of implementing the testing requirements at the state level is expected to be \$1.4 million for the current fiscal year, according to the bill's fiscal impact statement. That doesn't include local costs.

"It's another tax. It's not to help people get clean water. It's to make money for the state, and it's going to hurt people," Bennett said.

The bill becomes effective July 1, when all counties are required to have a system in place for implementing the

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Taxpayers Funding Easley's State Aircraft Flights to Coast

Continued from Page 2

On the afternoon of March 17, 2008, the helicopter flew from Raleigh to Brunswick County to pick up Easley. At 4 p.m. it flew to Rocky Mount, where it was on the ground about an hour for Easley to attend an unspecified event at the Rose Hill Conference Center. Easley arrived back in Raleigh at 7 p.m.

The total flying time of the trip was 2.7 hours. At \$770 per hour, the total charge to the governor's office was \$2,079. The estimated driving time from the Executive Mansion to the conference center is 50 minutes.

Had Easley been in Raleigh he could have traveled by car, apparently at a significant savings.

On 28 occasions, the trip request form submitted to the Department of Commerce by the governor's staff called for a pickup or flight to the coast, but the actual trips taken did not include any coastal connection.

For example, a trip request submitted by Easley's office to the Commerce Department on Feb. 6, 2004, called for the helicopter to pick up Easley in Brunswick County on Feb. 16 and fly him to a Duke power steam station in Catawba County for a brief groundbreaking ceremony.

Instead, records show the planned coastal leg was dropped, with Easley taking the jet from Raleigh to Statesville to attend the event, and returning to Raleigh.

Trips with no coastal connection

Easley or his wife made a total of 90 trips that did not include an actual or planned connection to the coast. These were typically trips where the Easleys boarded the aircraft in Raleigh and returned to Raleigh with the aircraft.

Easley determines his own schedule and is solely responsible for deciding what public business he or his wife participate in, Hoffman implied.

Some of trips appear to be of questionable benefit to the taxpayers. For example, on March 17, 2004, Easley and two aides took the helicopter to Charlotte for the grand opening and ribbon cutting for Hendrick Lexus. On Aug. 11, 2004, Easley took the helicopter to Lowes Motor Speedway for a bill-signing ceremony involving legislation that benefited motor sports in North Carolina.

Of the 90 Raleigh-based round trips in the study period, 38 trips, or 42 percent, were flown that year before the November election, in which Easley was running for his second term. For the time period after Easley won re-election in November 2004, the percentage of trips with a planned or actual coastal connection was 68 versus 62 for the entire period.

Flying for Hillary

Days before the N.C. primary election on May 6 of this year, Easley

announced he was supporting Sen. Hillary Clinton over Sen. Barack Obama for the Democratic nomination for president. Flight records show he used the helicopter on May 2, May 3, and May 5 with the following stated purpose: "To attend a political meeting - NO COST TO THE STATE. Please send invoice to Ruffin Poole."

Poole is executive counsel to the governor. The total charge for the three days was \$7,174.

Flight logs show Easley traveled to Kinston, Monroe, Greenville, Greensboro, High Point, and Smithfield. Department of Commerce Assistant Secretary Kathy Neal said the governor was to be issued an invoice at the end of May. Clinton's campaign will reimburse North Carolina for the trips, Hoffman said.

Flying Andy

The governor also used the state jet to bring actor Andy Griffith to Raleigh to participate in Easley's second inauguration ceremony.

On Jan. 15, 2005, the jet flew from Raleigh to Manteo, picked up Griffith and his wife, Cindi, and returned to Raleigh. The next day Griffith had a brief role in Easley's inauguration ceremony. That afternoon the jet flew the Griffiths back to Manteo.

An e-mail from 1st Sgt. Alan Melvin, of Easley's Highway Patrol

Protection Detail, explained the trip: "Ref 'Sheriff Taylor'... This is low key. Trooper will pick up on the tarmac directly from the aircraft on Friday." Notes on the flight logs state that the cost of the flights was to be billed to the governor's office.

Griffith had recorded a television commercial endorsing Easley that aired during the campaign.

Methodology

CJ requested the flight records of all three state aircraft since January 2004. The study period ended April 10 this year.

Assistant Secretary of Commerce Kathy Neal provided records that included a trip request form from each user, associated notes and e-mails, as well as the actual aircraft flight logs completed by the pilots.

The flight logs contained the names of each passenger on each individual leg of a trip. Neal said that flight records associated with active and unannounced economic development projects are not public records, so those were excluded.

The flight records for Clinton were received at a later date and were not included in the 237 flights reviewed for this story.

CJ staff then analyzed the records to determine how the aircraft had been used during the study period. CJ

Change in 'Code Orange' Benchmark Raises Ozone Worries

By DAVID N. BASS
Associate Editor

RALEIGH

Tightened federal ambient air quality standards announced recently by the Environmental Protection Agency will double the number of high-ozone days in North Carolina each summer, even though conditions are expected to be the same as in past years.

At least one air quality specialist questioned the reasons behind the EPA's move.

"The EPA is creating the appearance of risk at ozone levels that aren't harmful. That's how they maintain their power. The agency keeps people scared and becomes the savior from all these nonexistent harms," said Joel Schwartz, an environmental consultant and visiting fellow for the American Enterprise Institute.

The EPA in March revised its primary and secondary eight-hour standard for ozone monitoring for the first time in 10 years, reducing the high-ozone threshold to 0.075 parts per million. The previous standard, set in 1997, was 0.08 ppm.

Ozone is formed when emissions from power plants, automobiles, and other sources mix with heat and intense sunlight. The N.C. Division of Air Quality monitors ozone by a five-color code system—green is the lowest, purple the highest. Code orange is the high-ozone threshold during which children and adults with respiratory diseases should limit outdoor exposure.

The changes by the EPA prompted DAQ to start issuing daily air quality forecasts two weeks earlier than usual. Agencies now begin tracking ozone levels April 15 since the revised standard means more days will meet the high-ozone classification. That translates into

more code orange alerts.

"Statewide, we are estimating the new standards will double the number of code orange days, or maybe even more," said Tom Mather, a spokesman for DAQ.

The EPA issued the new standards in response to scientific evidence on the health impacts of ozone, but Schwartz said the tightened standards create the illusion of risk at ozone levels that are not harmful.

"The EPA's mission is to find harms and then save people from them. That's why they exist," he said.

Health impact

The EPA based its revised standard on the results of more than 1,700 new scientific studies that it claims prove that previous air quality guidelines were too lenient to protect public health. EPA officials said the changes will eliminate, in 2020, up to 2,300 premature deaths annually and generate \$2 billion to \$17 billion in health benefits.

"Those benefits include preventing cases of bronchitis, aggravated asthma, hospital and emergency room visits, nonfatal heart attacks and premature death, among others," said an EPA statement on the guidelines.

Mather pointed to ozone's impact on plants, crops, and trees, which the EPA said are endangered by high pollu-



tion levels. "Quite a bit of research over the last five or 10 years shows that ozone was causing problems at lower levels than previously thought," he said.

But in a research paper published in October by the American Enterprise Institute, Schwartz said that data cited by the EPA to justify the new guidelines were unreliable. The old air quality standard was sufficient to protect public health and did not require revision, he

said.

"We have a whole bunch of evidence that ozone at the low levels today isn't harmful, but you have to look at all of the conflicts of interest in the system," he said. "The EPA funds most of the health research to justify the need for its own existence, so the EPA decides what questions are asked, which scientists are funded, and which results are portrayed in official reports."

Schwartz also questioned the health savings from the new standard. "These are phantom benefits. Their benefit analysis is way off, and nobody outside the EPA believes it," he said.

Falling ozone levels

Ozone levels are on the decline across the state and have been for several years, according to monitoring data from DAQ. From 2003 through 2006,

North Carolina experienced relatively few exceedance days per season, with a record low in 2004 when the state saw only five high-ozone days across all monitors.

The trend is particularly evident in the Triangle, which had one code orange day in the summer of 2004, nine in 2005, and two in 2006. Even last year, when historic drought conditions and intense heat created ideal conditions for ozone formation, the Triangle experienced only five code orange days.

"It shows that we have been making progress," Mather said. "The various regulations and controls have been a big factor, such as cleaner gasoline, stricter standards on car and truck engines, and the Clean Smokestacks Act."

The revised standards, however, mean North Carolina is in for more high-ozone days even when conditions are identical to past years. By early May, the state had already experienced three code orange days, when in past years it was rare to have an exceedance day in April.

"In some areas of the country, you're going to see a code orange most every day of the summer because of the standards," Schwartz said. "Even though our air is cleaner now, the EPA continues to raise concern among the population and keep people thinking that air quality is continuing to get worse."

Part of the rationale for approving the new benchmark was to keep the public concerned about air quality, Mather said. "We do the forecasts for two reasons. One is so people in sensitive groups can take precautions. The other reason is so that when we're expecting a bad air quality day, people can take action to counter that by bumping up the thermostat or reducing the amount they drive." CJ

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By Roy Cordato
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Efficiency and Externalities in an Open-Ended Universe



Water Response Lags Needs

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regulation and testing requirements.

Future drought

Expanding water capacity is going to be a concern for cities in the state, but encouraging conservation is still important, Yonts said. "The immediate thing is trying to get people to use water more efficiently and use less water," he said. "We need to see how we can do a better job in our homes and also in our industry in recycling water and being more efficient all the way around."

While many local governments use mandatory and voluntary water-use restrictions to reduce consumption during droughts, free-market advocates say a pricing system in which users are charged higher rates for consuming larger amounts of water is a more effective option for reducing shortages.

Water resources could be managed most efficiently through this type of market-based pricing, said Sam Staley, director of urban and land-use policy for the Reason Foundation.

Under the system, municipalities establish a flat rate based on typical water consumption for a household and then increase the price incrementally as users consume more water. Cities such as Charlotte and Greensboro already use this approach of increasing block pricing.

"Market-oriented approaches to water pricing have the advantages of preserving choice, encouraging innovation, and ensuring the people who want the water the most get it," Staley said.

"This would automatically promote conservation, but also provide strong financial incentives to find new sources of water to meet growing demand," he said. CJ

NC Delegation Watch**Report praises Burr, Myrick**

A public policy organization praised North Carolina's Sen. Richard Burr and Rep. Sue Myrick, both Republicans, for being two of the most fiscally conservative legislators on issues such as tax cuts, pork-barrel spending, and free trade, the group reports in its 2007 congressional report card.

The Club for Growth's annual report, released May 8, awarded six senators and 49 representatives for siding with the club nine out of 10 times on a range of roll-call votes during the first session of the 110th Congress.

The group tracked how lawmakers voted on fuel price controls and increasing the minimum wage, among other issues.

"These top-scoring members of Congress are staunch defenders of American taxpayers. Their votes are critical to lowering taxes, cutting wasteful spending, and promoting economic growth for all Americans," said Pat Toomey, Club for Growth president.

"We hope that support for pro-growth principles will continue to grow, allowing more members to earn this award and more Americans to benefit," he said.

N.C. Reps. Virginia Foxx, R-5th, and Patrick McHenry, R-10th, came 1 percent shy of entering the top tier. Sen. Elizabeth Dole, R-N.C., and Rep. Howard Coble, R-6th, scored 82 and 81 percent, respectively.

Among the N.C. delegation, Reps. Heath Shuler, D-11th, and G.K. Butterfield, D-1st, came in last place, garnering less than 6 percent on the scorecard. Only 60 House lawmakers ranked below Shuler.

Rep. Mel Watt, D-12th, was the highest-scoring N.C. Democrat at 12 percent, while Reps. Robin Hayes, R-8th, and Walter Jones, R-3rd, tied for last place among Republicans at 43 percent each.

Several N.C. lawmakers improved their scores over past sessions, including Coble, Foxx, McHenry, Miller, Myrick, Price, and Watt. Butterfield, Etheridge, Hayes, and McIntyre scored worse. In the Senate, Burr improved his score by one-third. Dole's score improved marginally.

Nationally, Reps. Jeff Flake, R-Ariz.; Doug Lamborn, R-Colo.; and Jeb Hensarling, R-Texas, scored 100 percent. Sen. James DeMint, R-S.C., was the only member to achieve a perfect score in the Senate.

Sixteen House and six Senate members, including Sens. Hillary Clinton, D-N.Y., and Barack Obama, D-Illinois, took up the rear of the pack with scores of zero percent. CJ

Cause of job loss**Productivity, Not Free Trade, is the Culprit**

By KAREN McMAHAN
Contributing Editor

RALEIGH

Contrary to popular sentiment and political rhetoric, productivity — rather than free-trade agreements — has been the single largest driver of manufacturing job loss in the United States for more than 60 years.

The decline in manufacturing jobs mimics what happened in agricultural employment more than a century ago. Automation continues to replace workers at an accelerated pace in the United States. Perhaps more illuminating is that this trend, significantly higher manufacturing output and worker productivity, is occurring not only in industrialized nations but also in China and other countries.

But even as jobs are lost in manufacturing, other sectors of the economy are gaining jobs, and this shift is evident worldwide.

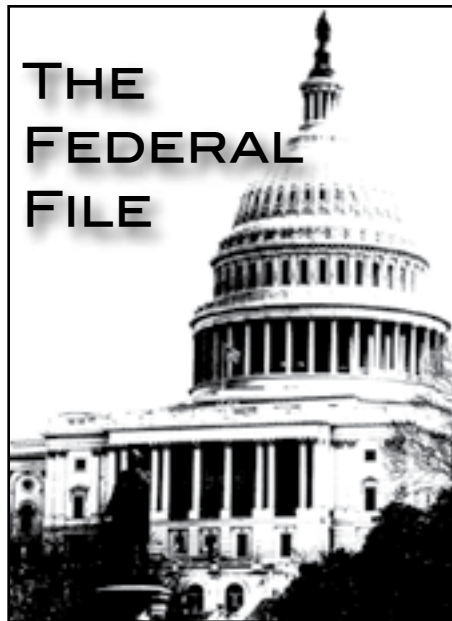
Free trade facts

Since the North American Free Trade Agreement was enacted Jan. 1, 1994, economists report both direct and indirect benefits of free trade, including a lower unemployment rate, higher average wages for manufacturing workers, and higher GDP.

During an interview on CNBC's "Squawk Across America" on March 28, 2008, Commerce Secretary Carlos Gutierrez presented facts on free trade to counter rising antitrade rhetoric. The unemployment rate in the 14 years since passage of NAFTA is 5.1 percent, versus 7.1 percent in the 14 years immediately preceding NAFTA, Gutierrez said.

Critics say free trade "hasn't benefited the man on the street," said CNBC anchor Joe Kiernan. "Everyone is working at McDonald's." According to statistics compiled by the Department of Commerce, "real disposable personal income per capita in the U.S. is up by 35 percent" and average manufacturing compensation has increased by 1.6 percent annually since passage of NAFTA, versus 0.9 percent before NAFTA.

In a presentation October 2007, William Strauss, senior economist and economic adviser for the Federal Reserve Bank of Chicago, said "manufacturing employment as a share of total nonfarm employment has been declining for more than 60 years." Manufacturing job losses over the past few years are "in-line with previous business cycles" going back as



far as 1947, he said. Productivity in the manufacturing sector has been increasing at a faster rate, 3 percent, than in the nonfarm business sector, 2.2 percent, since 1950. The fastest pace has occurred since the 1990s.

The effect of strong productivity growth, Strauss said, means the manufacturing sector has grown faster than the overall economy, even though manufacturing accounts for a smaller share of GDP over time. "Profits in manufacturing have outperformed profits for the rest of the nation since 1950," and Strauss concluded that these trends suggest that as productivity and output

continue to rise, U.S. manufacturing employment will comprise a smaller share of total employment.

An analysis of manufacturing productivity by William Ward, an economics professor at Clemson University, shows that the phenomenon of manufacturing productivity and job loss is

happening globally. Actual manufacturing job loss figures are misleading, Ward concluded, because, although productivity gains eliminate jobs, GDP growth adds jobs to other sectors of the economy. Specifically, Ward showed that China lost more manufacturing jobs from productivity gains than did the United States from 1995 to 2002.

Other factors account for manufacturing job loss, Ward said, including the increasing demand for services as opposed to goods. This trend is also evident worldwide in both developed and developing nations.

A 2004 study by the Conference Board reported similar trends. "China

is rapidly losing manufacturing jobs in the same industries where the U.S. and other major countries have seen jobs disappear, such as textiles," the study said. As in the United States and developed nations, the proportion of China's workforce employed in manufacturing is declining. The Chinese are eliminating jobs at an accelerated pace at state-owned enterprises at the same time they are upsizing private domestic Chinese firms and both foreign and foreign-invested firms.

The headline from the March 6, 2008, issue of Canada.com confirms this trend, stating "factory jobs are disappearing all over the world." Philip Cross at Statistics Canada said that "it's starting to look like agriculture, where we can now produce all we need with a very small percentage of Canadian workers." Manufacturing now accounts for "only about 10 percent of jobs" in the United States and Britain, the author said.

Trade accounts for one-third of the world's economy, and NAFTA and other free-trade agreements — such as the Colombia Free Trade Agreement, which is awaiting congressional approval — give Americans duty-free access to other markets, and that creates jobs for Americans, Gutierrez said. The Commerce Department reported that 93 percent of the 2007 nonoil trade deficit was with non-free-trade-agreement countries.

N.C. benefits from free trade

In a recent presentation at the Friday Center in Chapel Hill, Ted Abernathy, executive vice president and COO of the Research Triangle Regional Partnership, said that the Research Triangle Park region has largely recovered since the 2001 economic downturn. In 2006, N.C. employment grew fastest in the 13-county Research Triangle Park region, at 4.6 percent, followed by Charlotte, at 4.3 percent, and the Southeast region, at 3.6 percent.

The lowest employment growth, 2 percent, occurred in the western part of the state.

While all areas of the state have experienced manufacturing job loss, the Research Triangle Park region had the lowest level of manufacturing job loss, just over 100,000 in 1990 compared to just under 100,000 in 2006. Charlotte and the Triad had the largest manufacturing job loss in the period from 1990 to 2006.

The Partnership also reports that new manufacturing jobs have been concentrated in emerging industry sectors, including pharmaceuticals, plastics, and machinery. Since the early 2000s, new and expanded industry investment in the Research Triangle Park region exceeded \$856 million and created an estimated 5,038 jobs. CJ

Niskanen Predicts Government Will Break Entitlement Promises

William Niskanen, chairman of the Cato Institute, recently delivered the fourth annual John W. Pope Lecture in Raleigh. He also discussed entitlement reform with Mitch Kokai for Carolina Journal Radio. (Go to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: The federal government has made trillions of dollars worth of promises to the American people in the form of Social Security and Medicare, but our next guest says he's confident those promises will be broken at some point. First of all, that was a key theme that was brought out [in your lecture], that we've made all of these promises to people across the United States, and there's just no way that those promises are going to be kept. Why?

Niskanen: Well, because the taxes that are necessary to pay for these promises in the future I think will not be supported by the American people. And these promises have huge debts. Social Security itself may be a debt of like \$12 trillion to \$13 trillion. That's roughly equal to all of the output of the United States in a given year.

And the debt for Medicare is on the order of \$65 trillion. That's on the order of five years of total output in the United States to meet that. It would take an increase in our tax rates of maybe 10 percentage points or more of Gross National Product to pay these debts. And I think that the American people and the American political system ultimately will not pay these debts.

These two programs, in effect, are Ponzi schemes, in a sense that it is easy to make the promises to the current generation, that as long as the future

"Tax rates have a large, severe, adverse effect on the output of the economy. That operates through a reduction of work effort."

William Niskanen
Cato Institute



generations are going to be willing to pay for it. And I think that that's — it is not a sustainable situation.

Now, so I think that the promises will be broken. But I think that there are intelligent ways to do it, as distinct from just saying, "I'm sorry, you're on your own." I think that, for Social Security, the primary way that we ought to change the promises is to increase the age for full retirement benefits, to reflect the fact that Americans are living a great deal longer than they were when this program was established.

Americans, importantly, are younger longer. They're not older longer. They're younger longer. And they ought to be staying in the labor force until they're 75 or so.

Kokai: You say as a 75-year-old.

Niskanen: Yeah, tomorrow I will be 75 years old, and I have no plans whatsoever to retire. I told my staff several years ago that I will retire only under one of two conditions. One is if I'm bored, in which case I'll tell them — or second is if I'm boring, in which case I expect them to tell me. But, otherwise,

I have no plans to retire. I'm healthy and active. And that is the case of a lot of people.

I think one of the really tragic things that's happening in American life these days is quite healthy, vital people retire and then are bored themselves with retirement because their life, in many ways, has been defined by their job. And so they figure out a way to get back into the labor force. We still have rules, both government rules and business rules, that I think discourage that. Typically, a business will not keep anybody on their board, the corporate board, after age 70. There are an awful lot of [people] out there in the United States who could serve well on corporate boards after the age of 70. And the age 65 for Social Security was originally set by Chancellor Bismarck in Prussia, at a time when few people lived that long, and of those who did, they only lived a few years longer.

So, I think the best way to change the premises on Social Security are two ways. One is to increase the age for full retirement benefits, maybe by say one year every 12 years, or one month a year, indefinitely, because people are living longer and will continue to live longer. The second, I think, is that we can change the indexing formula for Social Security. It is now indexed to current wages, which are growing faster than prices.

And if we change the indexing formula from wages to prices, that will maintain the real benefits that people have been promised, but not the relative benefits, compared to people who are continuing to work. And I think those are the ways that are most acceptable to changing the promises that are made to Social Security people.

The other, for Medicare, is a more complex issue. The prices of medical goods and services increase very rapidly. And we clearly can't sustain the kind of expenditures we have for Medicare. And I think the best way to do that is to have an income-tested deductible for Medicare payments, in which you can only — you pay an amount on your own up to a deductible, and then the Medicare payments come in only after the deductible is exhausted.

We do have a suggestion for what that deductible might be already in our

tax code, in that we now can deduct from our taxes all medical expenses, over 7.5 percent of our adjusted gross income. I don't know whether that's the right number or not, but it's that sort of thing in which wealthy people then would have a higher deductible than poor people. And it would be not much, if any, an increase in the burden for poor people, and rich people can afford it. Otherwise, the expense of this all gets transferred to our young people: our children and our grandchildren.

Kokai: I wanted to get back to the tax issue with you because you mentioned at the outset that the American people are just not going to accept the level of taxation [necessary to pay for entitlements]. We're not talking about an extra 1 percent, an extra 2 percent. Major changes would be needed to pay for these things.

Niskanen: It would take, I think, an increase in our average tax burden, which is now about 30 percent of adjusted gross income, to 40 percent or 45 percent to make these two promises. And that, I think, would be both unacceptable, from the point of view of the taxpayer, and would have very severe consequences on the US economy.

Kokai: One of the things you pointed out in this John W. Pope lecture in Raleigh was the idea that the last tax dollar assessed takes out about \$2.75 from the economy. If you can briefly explain that to us.

Niskanen: Well, it takes out a dollar for the amount of taxes that are raised. And the difference between a dollar and \$2.75 is the reduction in pre-tax output and income that is a consequence of higher tax rates. Tax rates have a large, severe, adverse effect on the output of the economy. That operates through a reduction of work effort. Hours worked per person drop. Some people drop out of the labor force. And it has an even larger effect on productivity. Taxes severely distort the allocation of labor and capital and the division of efforts among different types of products and goods and services and so forth. And so the total cost to the economy of government spending that is financed by taxes is more than the taxes itself. It is the taxes plus the effect on the economy, which is quite large and significant and negative.

Kokai: And if we tried to raise the rates beyond where they are now, this effect gets even higher, greater, doesn't it?

Niskanen: Yes, that's right, in a sense that the adverse effects on the economy are a function of the level of the rates and conditions in the economy, which relate the amount of economic output to the level of the rates. CJ

BOOKS AUTHORED BY JLF STAFFERS



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



State School Briefs

Bright Beginnings dims

Bright Beginnings, the innovative prekindergarten program of Charlotte-Mecklenburg Schools, debuted a decade ago with the hope of transforming the lives of at-risk kids and the pledge of keeping close tabs on their performance to help them succeed.

That promise to families and taxpayers has not been kept, *The Charlotte Observer* reported.

Today, the program costs \$23 million a year. It helped launch a similar \$196 million statewide program. While teachers say it better prepares children for kindergarten, CMS officials can't say whether it has had any academic impact on later school years.

The pioneer 4-year-olds are teens now, freshmen in high school if they've been promoted on schedule. But analyzing their success "isn't on our radar," Chief Accountability Officer Jonathan Raymond said.

Long-term research on public pre-K is weak statewide. Still, some say CMS is letting a rare opportunity slip away.

"This is what frustrates the public and I know frustrates parents," says Lindalyn Kakadelis, a former school board member. She says she voted for the program in 1997 because officials said they would track the children.

Lunch programs in the red

School lunch programs across the state, including Guilford County's, are struggling to pay for costs associated with new standards for more healthful cafeteria food, the Greensboro *News & Record* reports.

Of the 115 school systems in North Carolina, 87 school lunch programs are running budget deficits. The remainder will follow soon, said leaders with the School Nutrition Association of North Carolina.

"We're about to be in severe trouble," said Cynthia Sevier, who leads Guilford County's school lunch program. Guilford has a \$26 million budget. Now, Sevier said, the program is "somewhere under \$1 million" over budget. That money will have to come from county taxpayers or the state.

School lunch programs are funded by federal grants and money collected locally. North Carolina is one of the few states that do not help pay for school lunches, association officials said. *CJ*

Making Their Mark at Home and Abroad

Reflecting on two decades since passage of homeschool laws

By HAL YOUNG
Contributing Editor

RALEIGH

When the state Supreme Court ruled in 1985 that homeschooling was permissible under existing law, the court suggested that "reasonably debatable" policy questions remained, and that the General Assembly "may want to consider them and speak plainly about them."

That occurred, with a great deal of controversy, during the 1987-1988 legislative session. The result was a surprisingly simple amendment to the existing private school law, but it has been durable enough to serve almost unchanged for 20 years. In 2008, the tiny group of pioneers in 1988 is now as big as Cumberland County's public school system. After two decades, the first generation of North Carolina homeschoolers can assess their experience as adults, and some of them have started the next generation of homeschoolers in families of their own.

Present at the beginning

Anne Yeaman was a homeschooled fifth-grader from Red Springs when the 1987 legislative session began. She remembers visiting lawmakers with her parents and being so affected by her parents' concern she was "terrified" to shake the legislators' hands. The actual vote was "boring," she said. "I didn't understand until later." Her mother, Sandi Crosmun, said all the children were remarkably quiet that day. One legislator told his committee members, "If these kids are all as well-behaved as this group, I don't know what we're worried about."

Good manners are important, but that said, homeschoolers have been far from silent since then. Ernie Hodges, a longtime homeschooling father who heads up North Carolinians for Home Education, said, "Obtaining legal standing for homeschooling was a long, hard-fought battle. Homeschoolers are keenly aware that the changing of public opinion could threaten our freedom as it plays out in the legislature and courts." They engaged the political process at the beginning and haven't left it since.

While the law has been stable, other challenges and opportunities have energized the activist side of the homeschool community. In 2005, the governor's



T.J. Smiley, a homeschooler from Northampton County, is congratulated by President Bush after graduating ninth in his class at the U.S. Naval Academy. (Submitted photo)

office tried to move private and home schools under the Department of Public Instruction, which homeschoolers saw as a threat to their independence. Some lawmakers received nearly a thousand messages an hour — individually written messages, at that — until the proposal was quashed.

Some political candidates have looked to homeschoolers as a base of support, or even come from their ranks themselves. In 2004, Kernersville businessman and homeschool graduate Nathan Tabor made a bid for the 5th District Congressional seat vacated by Richard Burr. While Virginia Foxx went on to capture the election, Tabor staffed his

campaign with eager homeschooled volunteers and saw his polling numbers jump by 10 points the last two weeks. Nationally, both Ron Paul and Mike Huckabee attracted enthusiastic followings among homeschoolers this year, but Hodges was careful to point out it's not a Republican movement. "Homeschoolers are not locked into a particular party if that party does not reflect their values," he said.

"I would add that homeschooling was and is a grass-roots effort," said Davis Carman, education vice president for NCHE. "This is the history and the perspective by which homeschoolers understand how they can impact the future by way of their own grass-roots involvement in current political campaigns or issues."

Out in the 'real' world

Other opportunities have taken N.C. homeschoolers far from American shores. Yeaman graduated from Campbell University in 1999 and spent a year teaching English in China, then taught

English as a second language to foreign-born military wives at Fort Bragg. She said homeschooling gave her a perspective that bridged cultural gaps.

"It changed me from seeing learning as a chore to really enjoying it," she said. "That may not always be a financial benefit, but it has been a benefit in my overall happiness in life. It gave me an interest in the world around me and in learning about it." Rather than limiting her options, homeschooling opened doors for her. "I don't think there was anything that I wanted to do that I was unprepared for," Yeaman said.

T.J. Smiley sees the world from an unusual perspective — the deck of a nuclear submarine.

Homeschooled in rural Northampton County, he graduated ninth in his class at Annapolis, earned a master's at the University of Pennsylvania, and is now the electrical officer of the USS Norfolk.

Writing while deployed, Lt. (j.g.) Smiley said homeschooling proved to be excellent preparation for his academic and military career.

More independent

"I was free to pursue any type of learning that I wanted, and my parents taught me to chase down those topics and organize my research in a similar manner I use today," he wrote. "The fact that as a homeschooler I was that much more independent forced me to learn how to study that much more." He said the moral values his parents built into his curriculum and the lessons he learned working in the family business "have been invaluable" both in training and now as one of only 15 officers on the sub.

Lisa Metzger lives a quieter life than does her brother, a West Point graduate recently shown in a Pentagon news clip blowing up an al-Qaeda torture chamber. She said they both enjoyed being homeschooled, finding athletic outlets — AAU basketball for him, competitive skating for her — even at that early date.

She said she had "no hitches whatsoever" transitioning from home to dormitory life in college. Metzger graduated from Liberty University with a degree in public relations and now homeschools her seven children in Matthews.

"I had such a great experience being homeschooled, I wanted my kids to have the same experiences and opportunities," she said. "I didn't think of doing anything else for my kids." *CJ*

College Applicants Find 2008 to Be a Tough Year

By JOHN C. YOUNG
Contributing Editor

RALEIGH
Consider scoring 2,310 on the SAT, earning a 3.9 grade-point average in high school, winning international artistic awards, and having extensive volunteer experience. Many students rated this highly normally would be considered good candidates to get into Harvard — but not this year.

Many students who in previous years would have gone to Harvard, Princeton, Stanford, Duke, or MIT are getting rejection letters from these and other highly ranked colleges. Some students are facing tough choices. Others didn't get into any of their preferred colleges, and are having to decide whether to take a gap year or enroll in community college and try again next year.

"Uncertainty is the word to describe this year," said Dave Hawkins of the National Association of College Admission Counseling. This year has been the hardest college admissions year ever, demonstrated by a previously unimaginable level of competition for coveted spaces in the top colleges' accepted lists.

A major part of the shift is caused by demographics. According to Dean of Admissions Christopher Gruber, Davidson College experienced a 10.5 percent increase in applications over 2007. The Class of 2008 is the largest class of high school graduates ever, triggering many more applications for a limited number of college admission spots. According to the CDC, 1990, the year today's high school seniors were born, produced the highest number of births since 1962. One theory is that 1990 represents an "echo" of the peak of the baby boom in 1957, making this the most competitive year yet for college admissions.

Another factor contributing to the selectivity of top colleges this year has been a shift in college application strategies employed by seniors. According to the Higher Education Research Institute, between 1990 and 2006 the number of college freshmen who had applied to seven or more schools nearly doubled, from just over 9 percent to 18 percent of applicants. The result is that, on average, each individual student is holding a higher number of offers and must choose between them, decreasing colleges' yield, or the number of students

enrolling out of an admitted pool, and increasing uncertainty for the school as well as the student.

Students are also applying to more colleges because of the demise of Early Decision programs at several schools. Most top-ranked universities offer early admission to students who will commit to enroll if admitted. Typically, the colleges admit a larger percentage of this group, knowing they will attend, unlike regular decision applicants who might be deciding between several competing schools.

Sally Rubenstone, senior advisor at College Confidential, a nationally known college consulting firm, said that "changes to early-decision and early-action policies at a few highly visible colleges" — among them were Harvard,

Princeton, and the University of Virginia — "added an extra dose of panic to a process that is already rife with it." Many students applied to more top-tier schools to ensure admission at the level they had targeted. The surge in applications translates back to lower yield, and it will be very interesting to see whether these schools reinstate early decision and early action in the future.

Even this isn't enough to explain the most recent phenomena. Harvard University admitted an all-time low of 7.1 percent of applicants this year. In a typical year, Ivy League schools might collectively admit a handful of the best students off their waitlists. This year, some have sent offers of admission to more than 250.

What caused this strange shift in policies? "Harvard really wanted to be 'the most selective school' so they under-accepted and then went to the wait-list," says Michele Hernandez, founder and president of HernandezCollegeConsulting.com. "It really wasn't fair."

The world of college admissions is changing rapidly, and those who do not keep up will be left behind. Parents and guidance counselors must be aware that assumptions based on when they were in school might not hold true in today's ultracompetitive admissions process.

"The only thing in college admissions that is the same as a generation ago, or even five years ago with older siblings, is that still one student will go to one college," said Bill Pruden, head of the Upper School at The Ravenscroft School, a top-ranked Raleigh private school. CJ



Commentary

School Choice Abroad

In recent years, proponents of school choice focused on the many benefits of such programs in Wisconsin, Florida, Arizona, and a handful of other states. Thus far, the nation's small and disparate choice programs have produced promising results. A decade of research confirmed that school choice improved student performance, increased parental satisfaction, and eased the burden on taxpayers.

But education reformers rarely point out that parents in many other countries enjoy more educational choice than Americans do. The experiences of other nations provide some of the most compelling evidence that school choice, accompanied by a vibrant private education market, can help to raise achievement for public school students in the United States.

Most high-performing countries have a significant percentage of students enrolled in a private or government-aided private elementary or secondary school. Of the top 10 performing countries on the 2006 Program for International Student Assessment mathematics test, only Finland, Switzerland, and Canada enroll less than 15 percent of secondary school students in private schools.

On the other hand, between one-fourth and one-third of students in Japan, New Zealand, Australia, and Denmark attend private secondary schools. The Netherlands, the Republic of Korea, and Belgium enroll at least half of their secondary school students in private schools. Only three of the top 10-performing nations had private secondary school enrollments that were lower than 25 percent.

Removing the two outliers, Netherlands and Canada, from the cohort, an average of 24 percent of students from the highest performing nations attend a private secondary school. That percentage exceeds international averages by about 10 percentage points and exceeds the U.S. average by 15 percentage points. A much higher percentage of parents in high-performing nations exercise choice than parents in average- and low-performing nations.

These trends are consistent with other high-performing nations. According to the Organiza-

tion for Economic Cooperation and Development, 28 percent of primary school students, 37 percent of secondary school students, and 38 percent of pre-university students in Singapore attend government-aided, autonomous, and independent schools. Similarly, 42 percent of secondary school students in India attend a private school, according to the most recent World Bank data available.

Of course, the above statistics do not take into account the booming private educational services sector, which includes tutoring, autodidactic instructional materials, and home-based educational technology. According to an UNESCO report, more than half of seventh-grade students in

the Czech Republic, Hong Kong, Japan, Latvia, the Russian Federation, Slovakia, and Slovenia received private tutoring in mathematics. Private tutoring services appear to pay off for students in these countries. On the Trends in International Mathematics and Science Study, only eighth-grade students in Slovenia scored measurably lower than the U.S. average on the mathematics portion of the test. On the PISA mathematics test, the Russian Federation was the only one of these countries that did not outperform the United States. Russia had a score that was higher but not statistically different from the U.S. average.

If the private education market appears to work well for many high-performing nations, then why do Americans discount comprehensive school voucher programs and charter schools? There is no simple answer to the question, but clearly, centuries-old prejudices and powerful political interests share much of the blame. Our ridiculous attachment to government-owned and government-operated schools, combined with the powerful teachers unions that support them, ensures that future generations of Americans will be spectators in the worldwide movement to guarantee families greater educational freedom and the superior education that comes with it. CJ

Terry Stoops is the education policy analyst for the John Locke Foundation.



Terry Stoops

School Reform Notes

CMS construction

Charlotte-Mecklenburg Schools officials originally intended to renovate McClintock Middle School and add 12 classrooms. But because of the slowdown in the nation's housing and construction market, they've learned they can build a whole new school, and save nearly \$1 million, *The Charlotte Observer* reports.

CMS Associate Superintendent Guy Chamberlain briefed school board members on the surprising news May 13. He told them CMS originally planned to spend \$24.9 million for a total renovation at the southeast Charlotte middle school.

But when officials opened bids two months ago for the construction of two other middle schools, the estimates came in surprisingly low.

"Right when we were taking these to bid was when the [housing] market dropped," Chamberlain said. "We caught the market at just the right time."

W-S ends steroid testing

Winston-Salem/Forsyth County school officials are going to stop testing student athletes for steroids, the *Winston-Salem Journal* reports.

Members of the Forsyth County school board agreed to the change recently, after they learned that the federal grant that paid for the testing would run out at the end of the year — and that no students have tested positive during the two years of the testing program.

"The grant gave us a unique opportunity to kind of do a trial run to say, 'Hey, do we have an issue here?'" said Kathy Jordan, program coordinator for Safe and Drug-Free Schools. "After 2 1/2 years, at this point in time, we thought there really wasn't the issue we thought it might be."

The School Board approved the steroid testing in 2005 after winning a three-year, \$800,000 grant to expand the system's drug-testing program. At that time, school officials said the Winston-Salem/Forsyth County school system would be the second system in the country to test for steroids.

The results and the high price of the test, about \$120, led school officials to recommend that the testing not be continued after the grant ended, Jordan said. The school system will continue to randomly test students in extracurricular activities for other illegal substances, she said. *CJ*

Fear state shutdown

Charter Parents Organize to Meet Threats

By JIM STEGALL

Contributing Editor

RALEIGH

Proponents of charter schools are growing increasingly uneasy with what they perceive as an anti-charter school campaign being waged by public education officials.

A spokesperson for the State Board of Education said the proponents' concerns were unfounded, but the recent abolition of the charter school advisory committee and policy changes apparently designed to shut down charter schools have convinced supporters of charters that it's time to speak out.

Leading the charge is Todd Havican, father of two children who are enrolled in a successful Union County charter school. Parents who placed their children in charter schools and are happy with their decision should become involved not only in their own schools' activities, but on a statewide level to ensure the survival of the charter school movement, Havican said.

Havican founded the North Carolina Charter Schools Association earlier this year. According to the group's mission statement, the association "is committed to the survival, enhancement, and expansion of North Carolina's charter schools by offering a platform for dialogue and empowered communication." Havican said he founded the association after hearing parents ask him repeatedly, "I want to get involved, how can I help?"

"I saw a need to reach out to parents of charter school children and the public in general," said Havican. "There hasn't been a consistent, positive message state-wide about charter schools, and the association is a way to get charter school parents involved."

Working with contacts in a half-dozen charter schools around the state and operating on a shoestring budget, Havican has put together a Web site that will serve as a platform for networking with charter school parents, teachers, and administrators to address the challenges facing charter schools at the state level.

Early last year the state board decided to abolish the Charter School Advisory Board, which had provided input and guidance on charter school issues since the beginning of the program more than 10 years ago. The board was composed primarily of people with first-hand knowledge and experience with charter schools, and was seen by charter school proponents as their voice on the state board.

The decision to abolish the board caught many charter school proponents by surprise, and the state board's explanation for the move, that it was simply part of a reorganizing of board committee responsibilities, with charter school issues becoming the responsibility of another committee, did little to mollify



"I saw a need to reach out to parents of charter school children and the public in general."

Todd Havican
NCCSA founder

charter school supporters.

Since then, charter school administrators have noticed that some schools whose charters are up for renewal have had their charters renewed for as little as three years, as opposed to the five- or 10-year renewal periods the law allows, and the schools had been expecting. Shorter renewal periods are financially disadvantageous for charter schools because they normally must borrow money from banks to construct buildings, and banks are reluctant to extend credit to charter schools that do not have long-term charters. Unlike regular public schools, charter schools receive no state funds, including bond or lottery

money, for construction.

In last summer's legislative session a bill was filed that would have required the state board to revoke the charter of any school that had failed to show a certain level of academic improvement in each of five consecutive years. The bill failed, but its filing was seen as one more shot across the bow of charter schools from the education establishment.

This spring the state board approved a policy of withholding some funds from charter schools that do not hire the specified percentages of state-certified teachers according to grade level. This last measure, again taken without consultation or input from the charter school community, convinced many that the state board of education was out to get them.

Officials at the state's Department of Public Instruction don't think that the board or the department has adopted an anticharter orientation. "I would disagree with that," said department spokesperson Vanessa Jeter, when told that some charter school administrators think that DPI officials are against them.

She pointed out that there is a charter school person — Melissa Bartlett, a former charter school administrator — in charge of the board's Leadership for Innovation Committee, which oversees charter school policy.

Defending the state board's decision last year to abolish the advisory committee, Jeter said, "There was a sense by the board that this [charter schools] was not a start up operation anymore in the way that it was when that group was first convened." She said the board wanted to be "a little more engaged in charter school issues, rather than letting someone else do all the heavy lifting." *CJ*

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Wake Diversity Busing Plan Runs Up Against Diesel Costs

Officials: Can't tell how much of costs due to forced busing

By DAVID N. BASS
Associate Editor

RALEIGH

The cost of busing students to Wake County public schools continues to climb as fuel prices soar, but school officials refuse to say how much of the total cost in transportation is attributable to a forced busing policy designed to create socioeconomic diversity in the classroom.

Along with regular gasoline, diesel costs have soared over the last year. In mid-May, the average cost of diesel nationally was \$4.49 per gallon, up nearly two-thirds from a year ago. The costs are similar in the Triangle, where diesel ranged as high as \$4.69 per gallon during the same period.

Although schools receive a discount on fuel through a state contract, Wake County still pays as much as \$3.90 per gallon, according to school officials. The superintendent's proposed budget for the 2008-2009 fiscal year estimates that school buses will travel nearly 17 million miles. At a fuel-efficiency rate of 6.6 miles per gallon, costs could climb as high as \$10 million for diesel alone.

School leaders, however, say they can't determine how much of the overall fuel budget is used for a busing regimen that transports students extra miles to achieve diversity.

"We are not able to differentiate the exact percentage of students reassigned for purely socioeconomic reasons, nor the transportation information you re-



Wake County launched its socioeconomic busing strategy, known as Policy 6200, eight years ago to mix low-income with wealthier students.

quested," said Bill Poston, a spokesman for the county school system, in response to an e-mail from *Carolina Journal*.

"With annual student growth totaling between 4,000 and 6,000 students a year, it is nearly impossible to isolate specific assignments solely on the basis of socioeconomic diversity," he said.

Ron Margiotta, a school board member from the southwestern part of the county and opponent of socioeconomic diversity busing, said it's "amazing" that school officials don't know the costs of the strategy.

"When they're questioned on specifics like this, it's claimed that they can't break it out, but they do put out numbers when it's to their advantage," he said.

Diesel deficit

In Wake County, school board members have reacted to rising diesel prices by allocating additional dollars to fuel the county's 874-bus fleet that ships 67,500 students to and from class each day. The school board voted in November to allot an additional \$2.2 million to the school transportation department to

avoid a budget shortfall.

Underestimates in the superintendent's budget request for fiscal 2007-08 caused the deficit. Officials used a \$1.97 per gallon benchmark to judge how much fuel the school district would need, a price point significantly below the state average.

The superintendent's proposed budget for the upcoming fiscal year contains similar underestimates. It lists the projected state average at \$2.67 per gallon and allocates \$7.1 million for regular gas and diesel combined.

Don Haydon, chief facilities and operations officer for the school system, said the \$2.67-per-gallon estimate was based on the best information available when officials developed the budget.

"It is difficult to estimate the amount of funding that will be available from the state for fuel, because the Department of Public Instruction typically makes several allocations to school districts each year; the amount provided depends upon funds available," Haydon said.

"If the amount of state and local funds for fuel are [sic] insufficient to

meet the needs next year, WCPSS will address the shortage," he said.

Diversity busing

Wake County launched its socioeconomic busing strategy, known as Policy 6200, eight years ago. The policy attempts to mix students who qualify for the federal free and reduced-lunch program with students from wealthier families, a plan that supporters say leads to higher rates of student achievement.

A report released in February by the Wake Education Partnership argued that performance benchmarks "yield persuasive evidence that all students — regardless of income or ability — are well served by the district's assignment approach."

Most Wake County school board members support the diversity effort, but Margiotta said the current system is not working.

"We do not have any evidence to show that it has helped anyone," he said. "This is another case of research not being done because they are concerned about what the results would be."

Parent groups, angered by forced reassignments and mandatory conversions to year-round schools, have also rallied against the busing policy. Wake CARES, which filed a lawsuit challenging the school district's assignment policy, is one of those groups.

Dawn Graff, cofounder of the group, told *The News & Observer* of Raleigh that school leaders could reduce extra fuel costs by sending students to traditional calendar schools closer to their homes.

"If they didn't have to bus children from downtown Raleigh to Apex, then they could spend more on education," she said. *CJ*

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Locke, Jefferson and the Justices:
Foundations and Failures of the U.S. Government

By George M. Stephens
Preface by Newt Gingrich

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

Newt Gingrich
Former Speaker
U.S. House
of Representatives

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

On Campus

Politicians on campus

As the semester wound down and North Carolina's May 6 primary approached, presidential candidates on the left and the right spent considerable time courting young voters. Campus organizations, such as the N.C. State College Republicans and the UNC-Chapel Hill College Democrats, conducted registration drives.

The average turnout for the past five presidential-year primaries in North Carolina was 23 percent. Historically, young people account for only 10 percent of the registered voters in North Carolina. But evidence suggests that this election year is already tapping students.

Hillary Clinton and Barack Obama both spoke to the attendees at the Jefferson-Jackson Day dinner at the Dorton Arena at the N.C. State Fairgrounds. Students from N.C. State, UNC-Chapel Hill, Duke, and N.C. Central flocked to rallies before and after the event. Former president Bill Clinton visited UNC-Charlotte and Appalachian State University in April.

At UNC-Chapel Hill, more than 1,000 students and citizens attended a speech by Republican presidential candidate Ron Paul. Paul spoke for an hour about foreign policy, fiscal discipline, free markets, and personal responsibility. The crowd of students even cheered when Paul suggested that an understanding of economics, one of UNC's most demanding disciplines, was touted as the solution to America's problems.

Before Paul's speech, William "B.J." Lawson, a Republican running against David Price in U.S. House District Four, spoke to the assembly. Lawson, an advocate of Austrian economics, explained his platform of more freedom and smaller government. Lawson handily won his May 6 primary election against Augustus Cho.

Lawson's campaign is actively recruiting students, not only for routine tasks but also for direct leadership roles in the campaign in fund-raising, marketing, strategy, and policy research and information. Campus organizations for Lawson include Tar Heels for Lawson, Wolfpack for Lawson, Demon Deacons for B. J. Lawson, Dukies for B. J. Lawson, and N.C. School of the Arts for Lawson. CJ

Compiled by Jenna Ashley Robinson, campus outreach coordinator for the John W. Pope Center for Higher Education Policy in Raleigh.

Economy questions

UNC Budget Likely to Grow, But By How Much?

By JAY SCHALIN
Contributing Editor

RALEIGH

There already have been quite a few twists and turns in crafting the operating budget for the UNC system's 2008-09 school year, even though the process is in the early stages.

The General Assembly convened in May for its short session, in which it considers additions to the two-year state budget adopted in 2007. The three parties to the University of North Carolina's operating budget — the General Assembly, the governor, and the university system — all seem to be on a different page.

One factor is the diminishing availability of state money. With a recession looming, tax revenues are expected to be leaner than usual. After several years of large increases in university spending, state Sen. A.B. Swindell, co-chairman of the Joint Legislative Oversight Committee on Education, said, "[T]his is an unusual time for us...it is a tough time."

The process began April 22, when university President Erskine Bowles presented the joint appropriations subcommittee on education with budget priorities totaling \$320 million in recurring expenditures plus \$21 million in one-time (nonrecurring) costs. Recurring expenditures are typically expected to be an annual expense indefinitely. Nonrecurring expenditures are a one-time expense. To put these numbers in perspective, the university's 2008 operating budget was \$2.6 billion.

Bowles emphasized the system's need for \$11.7 million in recurring and \$17.5 million in nonrecurring appropriations for campus safety. He also wanted \$153.8 million in recurring expenses for faculty salary raises. Other significant requests were for research, \$63.8 million recurring, \$4 million nonrecurring; regional and statewide economic development and "competitiveness" training, \$22.4 million; and health care, \$24 million recurring.

Last year, the state based its university budget allocation for 2008-09 on an expected enrollment increase of 2.2 percent. According to Bowles, enrollment will increase by 4.2 percent, so he and the governor are requesting an additional \$34.7 million to take care of any shortfalls. This article does not discuss capital spending for buildings and infrastructure projects, which is a separate process.

During the meeting of the UNC Board of Governors May 8, there was a new list, this time of "highest priorities," which totaled \$196.5 million in recurring and \$17.5 million in nonrecurring expenditures. These were primarily for campus safety and faculty salaries, but there was also a new \$1.25 million request with controversial political implications, for an independent public policy "think tank" on the Chapel Hill campus.

On May 12, Gov. Mike Easley weighed in. In his proposal, higher education spending would increase by \$31.26 million, \$21.85 million recurring and \$9.41 million nonrecurring, with numerous cuts. The campus safety proposal was reduced to \$5.6 million in recurring and \$5.4 million in nonrecurring expenditures. Notably absent were faculty salary increases and almost all economic development and research proposals. Remarkably, the governor's recommendations included a public policy think tank, also to be on the Chapel Hill campus, but completely different from the one sought by Bowles.

The legislature, however, set a target for total state education spending 1 percent lower than the governor's proposal. This was for aggregate amounts, combining the budgets for UNC with public K-12 education and the community colleges.

Then on May 21, the joint appropriations subcommittee submitted its recommendations. At first glance, the UNC system appeared to be the big loser, with an increase of only \$4.6 million in recurring appropriations and a sizable loss of \$35.9 million in nonrecurring expenditures.

However, Rob Nelson, UNC's vice president for finance, said that \$50 million in nonrecurring appropriations cut from the state's EARN Scholars Fund merely reflected a shift from the general fund to the Escheat Fund, an accumulation of unclaimed property. The EARN program, which provides \$4,000 for low-income students, is actually being expanded to include students at the state's private colleges this year.

The only items from Bowles' earliest budget requests to survive on the joint appropriations committee's list of high-priority recommendation were for campus safety, cut from \$29.2 million to \$12.8 million; planning a dental school at East Carolina University, reduced from \$2 million to \$1 million; indigent care at ECU medical school, cut from \$5 million to \$2 million; medical school expansion planning at several campuses, cut from \$5 million to \$2 million; and money from the university system's specialized schools, N.C. School of the Arts, N.C. School of Science and Math, and UNC-Asheville — reduced from \$2.5 million to \$1.25 million; and an increase in faculty salaries as part of the "distinguished professorships" program, dropped from \$7 million to \$1 million. CJ

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



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Pope Center Contest to Choose Best Freedom of Inquiry Courses

By JENNA ASHLEY ROBINSON
Contributing Editor

RALEIGH

The Pope Center's Spirit of Inquiry Award, to be presented this fall, will honor faculty members in North Carolina who meet high standards for inspiring class discussion, driving their students to greater achievements, and imbuing them with a love of knowledge.

For this contest, based on nominations made during the past semester by North Carolina students, the Pope Center has selected five distinguished judges.

Their goal is to choose the best courses that embody one of the greatest needs in college today — freedom of inquiry. The judges, John Allison, Edgar Broyhill, George Leef, James Martin, and Anne Neal, will consider class syllabi, student interviews, and other course materials in making their selections.

About the judges

- Allison has served as the chairman and chief executive officer of BB&T since 1989. A native of Charlotte, Allison earned a degree in business administration from the University of North Carolina. He also holds a master's of business administration from the Fuqua School of Business at Duke University. He is well known in academic circles as a champion of Ayn Rand and in business circles for his ethical standards, outlined in the BB&T corporate governance standards, guided by core values such as honesty, integrity, and independent thinking.

- Broyhill is the president and managing director of the Broyhill Group, an investment banking company in Winston-Salem. In 2004, he ran unsuccessfully as a Republican for the 5th District congressional seat, representing Statesville, Mount Airy, and Boone. He recently joined the board of the Pope Center for Higher Education Policy and is a board member of the Broyhill Family Foundation. He is a trustee of Appalachian State, with which his family has had a long association.

- Leef is the vice president for research at the Pope Center. A recognized expert on higher education, he has written articles and reviews appearing in *The Wall Street Journal*, *Forbes*, *Regulation*, the *Cato Journal*, and other publications including *Carolina Journal*. He holds a bachelor of arts degree from Carroll College in Waukesha, Wis., and a J.D. from Duke University School of Law. Before joining the Pope Center, Leef taught economics, business law, and logic at Northwood University in Midland, Mich. Leef is the author of *Free Choice for Workers: A History of the Right to Work Movement* (2005) and editor of *Educating Teachers: The Best Minds Speak Out* (2002).



James Martin



John Allison



Edgar Broyhill



George Leef

- Martin served as governor of North Carolina from 1985 to 1993. A Republican, he served six terms in the U.S. House after being elected in 1972. He also was a member of the Mecklenburg County Board of Commissioners and later was president of the state Association of County Commissioners. Before taking on a political career, he taught chemistry at Davidson College after earning his doctorate from Princeton University in 1960. Retired from politics, he is chairman of the board of the James Cannon Research Center of Carolinas Medical Center in Charlotte.

- Neal is president of the American Council of Trustees and Alumni, which she helped found in 1995. Neal, who graduated Phi Beta Kappa and magna cum laude from Harvard College with an A.B. in American history and literature, received her J.D. from Harvard Law School, where she was the first woman editor of the *Harvard Journal on Legislation*. From 1980 to 1982, Neal specialized in the First Amendment at the New York City law firm of Rogers & Wells. She also was general counsel of the Office of Administration in the Executive Office of the President, general counsel and congressional liaison of the National Endowment for the Humanities, and editor of the American Bar Association newsletter, *Communications Lawyer*.

After the judges' deliberation, the Pope Center will publicize the winning courses and reward the faculty members who teach them. The top award will be \$1,000, to be used for books, travel, and other education- or research-related expenses. The winners and the students who nominated them will be honored at a banquet this fall. CJ



Anne Neal

Commentary

Fresh Air in College Rankings

Many people rightly criticize the *U.S. News and World Report's* lists of the "best" colleges. To a large extent, the rankings are based on "reputation" and "input" measures, rather than indications of educational value added. U.S. Education Secretary Margaret Spellings and others are pressuring universities to come up with ways to measure actual education, ways known as "student outcome" measures.

Richard Vedder, an economist and former member of the Spellings Commission on the Future of Higher Education, has come up with an ingenious set of measures and an alternative ranking of 200 top schools. His project is controversial, though.

One of his measures of a good school comes from a Web site called www.ratemyprofessors.com, which lets students evaluate their professors on a scale of 1 to 5. Such evaluations are not strictly a student outcome, but they reveal what students think of their college experience.

Faculties often dislike the site, since students' ratings and commentary can be harsh. In the past year, however, two studies concluded that the online comments correlate fairly well with the student evaluations that universities use in their faculty reviews.

Vedder's most controversial source is undoubtedly his use of 5,220 randomly selected names from *Marquis Who's Who in America*.

He tallies up the colleges they attended, adjusting the numbers for colleges' enrollment size, to see which schools have the most *Who's Who* entries.

Is this legitimate? Many people view *Who's Who* as a snobbish or even "vanity" publication. But *Who's Who in America* is widely used in libraries; it does not accept payments for inclusion; and it's been around since 1899. The publication says that its selection goal is "current reference value."

Even if the *Who's Who* selections are erratic or arbitrary, they represent a pool of successful people whose selection may not be biased by the schools that they attended. A better measure, Vedder

said, would be the Social Security earnings history of college graduates, but he couldn't get those.

Vedder also uses information about well-known prizes such as Rhodes scholarships and Fulbright grants and schools' graduation rates.

So what does he find? Some will be disappointed to learn that at the very top levels, Vedder's rankings are about the same as those of *U.S. News*.

Harvard, Yale, Princeton, and Chicago head the list of "national universities," for example. But after the top 10 or so, the differences are numerous.

To illustrate: among national universities, Baylor ranks 34 in Vedder's list, but only 75 in *U.S. News*. Brigham Young ranks 40 in Vedder's list, 79 in *U.S. News*. In liberal arts colleges, Vedder ranks Colgate only 51, while *U.S. News* gives it a 17. The entire list, which is worth perusing, is available in the May 19, 2008, issue of *Forbes* magazine.

The consistency at the top between Vedder's list and *U.S. News* might reflect the fact that *Who's Who* has some correlation with *U.S. News*' reputation and student selectivity measures.

To some extent, *Who's Who* measures brains and talent, not the value added by one's alma mater. Given that Harvard, Yale, and Princeton have developed reputations over centuries, they necessarily draw top talent, regardless of what they add in educational value.

Another red flag urging caution about Vedder's list is its tendency to downgrade the rankings of technical schools, a tendency worth exploring further.

No, the listing isn't perfect. But Vedder has brought a breath of fresh air into the debate over rankings. He is implying that *U.S. News* could broaden its measurements. And he is showing colleges, universities, and the Department of Education that student outcome measures might be easier to find than they think. CJ

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



Jane Shaw

Bats in the Belltower

'Do Something' Silliness

Don't just stand there; do something!" The well-worn expression favors action over inaction when faced with a problem. When catastrophe looms, some people naturally spring to work immediately. Others react as does the bird transfixed by the snake; they are the ones who need such a reminder to be snapped back to reality.

Action is warranted when the problem is immediate. But especially when the problem is perennial — or as in the case of man-made global warming, the problem is theoretical — the "do something" mentality can lead to very silly actions.

Furthermore, public funding in search of an action seems to increase the likelihood of overarching triviality, negligibility, and risibility. It also puts critics of the silly action in the unfair position of having to defend themselves from the charge of insensitivity and not caring about solving the problem — even though someone who decries a haplessly ineffective approach to a problem for being a complete waste of time and effort is certainly not someone disinterested in finding a solution!

Some examples of "do something" silliness follow:

- The City of Raleigh wanted to do something about citizens pouring grease down drains and thereby clogging the municipal sewage system. City leaders invented a cartoon "spokesfish" named "Neusie" (after the Neuse River) to teach Raleigh residents not to pour grease down their drains. Surprisingly, research is scarce that would attest to the grease-pouring population's actually being open to persuasion by cartoon fish. Neusie's failure preceded Raleigh's short-lived, nationally unique ban on garbage disposals, but it didn't stop Raleigh leaders from adopting "Rainy," the mascot to teach people to conserve water.

- People across America are concerned about sexual assault against women worldwide. Some of them, especially in academe and some local governments, believe that the root of the problem is a global male conspiracy to keep women from talking about their vaginas. They choose to do something about it by bringing Eve Ensler's "The Vagina Monologues" to their areas, complete with ritualistic chanting of the word *vagina*, the sale of "vulva cookies," the distribution of "Period Party" bags, the vending

of "Vagina Warrior" T-shirts, and other salvos launched against the presumed code of silence.

- Some people believe that human productivity is having the unintended consequence of causing planetary warming that will one day prove devastating. One factor they cite is the harvest of trees for paper products. Since one such product is toilet paper, some activists and the singer Sheryl Crow have reasoned their way into urging that people could really do something about the planet by limiting their toilet-paper consumption to 1 or 2 squares per bathroom visit.

On May 4, *The Herald-Sun* of Durham provided another sterling example of the "do something" mentality in progress. *The Herald-Sun* reported what the UNC-Chapel Hill Campus Health Services, a student-fee-supported service, was doing to "address a problem affecting about 8 million people nationwide: eating disorders." Their choice, under the auspices of "Wellness Services," was ... a theater troupe named Interactive Theatre Carolina, which turned out to be a favorite option.

"Using scripted and improvisational theater, the group of 20 student actors has addressed controversial topics from rape to homophobia, and now eating disorders and body image," the paper reported. "Each performance consists of three basic sections. The first, a scripted scene; the second, audience interaction; and the third, a post-performance conversation."

The paper described a recent performance called "Tough Love," which "features a character, played by Love, who shows symptoms of anorexia. Her character and the character Amanda, who shows bulimic tendencies, fueled a large portion of the 90-minute interactive experience."

Research has consistently shown, of course, that people with eating disorders, who struggle with "body image," or who are prone to rape or homophobia, absolutely adore scripted and improvisational theater and therefore are sure to seek out and sit through an hour and a half soaking in the very important message. Now, ain't that something? CJ

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



Jon Sanders

Center Advises Donors on How To Ensure Money Used Wisely

By JANE S. SHAW
Contributing Editor

RALEIGH

More than \$28 billion is given to higher education each year, and some of that is diverted to purposes the donors never intended, says Frederic Fransen, executive director of the Center for Excellence in Higher Education.

Interviewed at a Heritage Resource Bank meeting in Atlanta, Fransen offered potential donors advice on how to avoid misuse of their money.

Donors' wishes are frustrated in three major ways, according to Fransen:

1. A college or university accepts a gift although it is unable or unwilling to carry out the intentions of the donor.

An infamous example occurred in 1991, when Lee Bass, a Yale alumnus and wealthy Texan, gave \$20 million to Yale to fund a program in Western civilization. Because of faculty resistance, such a program could not be put into effect. To the university's credit, Fransen said, it gave the money back.

A less-infamous, but perhaps more typical, example was Mattie Kelly's 1992 gift of her 13-acre waterfront homestead to Okaloosa-Walton Community College in Destin, Fla. Kelly expected the land to be the home of a cultural and environmental institute. Instead, the college sold the land to a housing developer.

2. A restricted gift accumulates so much money that it can no longer be used solely for the specified purpose, and the university wants to use it for something else.

David A. Wells' 19th-century gift to Harvard originally supported a \$500 student prize. As the corpus grew, Harvard went to court to allow it to be used for a professorship as well.

3. A gift supports an entity within the university; the university decides to eliminate it.

After the Hurricane Katrina disaster, Tulane University decided to eliminate its women's affiliate, Newcomb College, and take over Josephine Louise Newcomb's endowment. Heirs of Newcomb, who donated \$3 million to the women's college more than 100 years ago, are suing Tulane.

Another illustration was the deci-

sion by St. Olaf College in Minnesota to sell a listener-supported radio station to increase the college's endowment.

The most celebrated "donor intent" case currently in the courts is the *Robertson vs. Princeton* lawsuit, involving a fund of \$900 million that has grown from a gift made to Princeton in 1961 by Charles and Marie Robertson.

The conflict, Fransen said, reflects all the above issues. The Robertson heirs argue that Princeton never intended to use the gift for the intended purpose of preparing students for international service in the federal government. The money has grown beyond the ability of the university to use it for the restricted purposes, and university officials want to merge the funds into the Princeton endowment.

How can donors prevent such conflicts? Fransen offers four recommendations.

1. Make the agreement between the donor and the institution as clear as possible.

This doesn't necessarily mean piling up more restrictions. It might mean specifying the conditions under which the funds can revert to general university purposes.

2. Do not let gifts accumulate to the point where they can no longer be used solely for the stated purpose.

As that point nears, it should be university policy to go back to the donor, or heirs, and resolve the problem, possibly by shifting the excess funds to related programs.

3. Do not give universities, or other organizations, perpetual control of your funds.

Fransen recommends short- to medium-term gifts, as short as three or as long as 40 years.

4. Provide for independent oversight of a university-managed project or program by setting up a separate advisory structure. In other words, stay involved.

Fransen is careful to say that donors, not just universities, make mistakes. Clearly, however, the donor should do everything possible to make sure that his or her gift doesn't run into the obstacles indicated here. The Center for Excellence in Higher Education, which is working with donors on gifts totaling more than \$100 million, is a resource to help donors do that. CJ

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



Frederic Fransen

Opinion

How Students Contributed to the College Loan Crisis

By JENNA ASHLEY ROBINSON
Contributing Editor

Advocates for students often accuse credit card companies of preying on gullible young people who don't understand debt. I was one of those student "victims." I got my first credit card as an undergraduate from a salesman at N.C. State's brickyard, along with a free T-shirt.

I was already in debt, however. I had borrowed several thousand dollars in the form of student loans. Critics ignore the fact that student loans are as easy to mismanage as credit cards hawked on the quad, and the long-term consequences can be far more severe.

College loan money doesn't seem real: It's like a credit card with no minimum monthly payments and a ridiculously high limit. So my classmates and I spent our college-loan money getting the ultimate college experience. We wanted it all: Greek life, study abroad, the newest, coolest flip-flops, Dave Matthews Band concerts, and off-campus apartments. And we got it.

When I graduated from college I had about \$300 on my credit card, but a college-loan debt of \$14,000. Seniors graduating from N.C. schools leave with an average of \$17,760 in debt, according to the Institute for College Access and Success.

To keep a credit card, you have to pay something every month. But you don't start paying back student loans until four years later — and longer in the case of graduate school. Until I started paying back my loans I was only dimly aware of how much I owed — I had seen the number only once or twice.

Normally, when you get a loan or

credit from a bank or credit union, you have to jump through certain hoops to make sure you can pay back your loans and to protect the lenders in case you don't. With student loans, it's different. The

government designed student-loan laws to make it easy for almost anyone to get student loans, regardless of whether they need the money, or their ability to pay it back.

When I applied for a student loan, the aid office, and the forms I filled out,

led me to believe that I would be loaned the amount of money that I needed. In reality, I received far more. According to the College Foundation of North Carolina, need-based financial aid represents "the difference between the total cost of attending a specific college program

and a family's ability to pay that cost using standard formulas." But those formulae fail to account for other sources of income, from part-time jobs to scholarships, resulting in students receiving too much money in loans.

Students rarely think about future ability to repay loans. I know I didn't. Students don't understand finances well enough to decide how much to borrow,



We misused taxpayer money, accrued years' worth of debt, and postponed adulthood's important financial lessons to have a good time.

get a good rate, or even spend wisely. So here are some of the things we did:

- One of my college suite-mates spent her entire loan check on a top-of-the-line Apple computer simply because she had more money

than she knew what to do with.

- Several of my sorority sisters, many of whom had student loans, spent a week sailing in the Bahamas.

- I spent my excess money on a semester abroad at the University of East Anglia, where I took few classes

and fulfilled no credits toward my major. Instead, I saw shows in London, traveled the countryside, and even spent a 10-day spring break in Paris. I could have easily afforded a less-luxurious six months in England using only savings from my part-time job, but student loans

were easy to obtain.

Indeed, for me, college loans were a bargain, and they still are. I was able to consolidate them at an interest rate of only 2 percent. Looking at the loans pragmatically, I would have been foolish to pay for my extended vacation by using my savings.

For some, however, the fun came at future expense:

- A good friend spent his entire college career working nearly full-time for a local newspaper covering sports, while taking a full load of classes. The job allowed him to indulge his passion for sports — attending all the big events, traveling for games, even buying a large-screen TV and pay-per-view for out-of-market events. Unfortunately, once school ended he was saddled with far more debt than he could afford, and he hadn't earned the kind of grades to give him any chance at landing a good job.

- While he was in school, my now-husband received student loans that covered his daily needs, his meals, and student housing. That freedom enabled him to gamble three summers' worth of saved lifeguarding wages on the tech boom — just in time to watch the bubble burst. In hindsight, he knows that the money would have been much better spent to pay for his needs at college so that he would have less student loan debt now.

My friends and I didn't really cause the student loan crisis. In the grand scheme, our dalliances were a drop in the bucket. But we did make bad decisions. We misused taxpayer money, accrued years' worth of debt, and postponed adulthood's important financial lessons to have a good time. Now that the college-loan business is in trouble, perhaps Congress will mend its ways and no longer permit these excesses to continue. Students who receive today's scaled-back loans should be better off as a result. CJ

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

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Teacher Education Fails the Test at UNC Schools

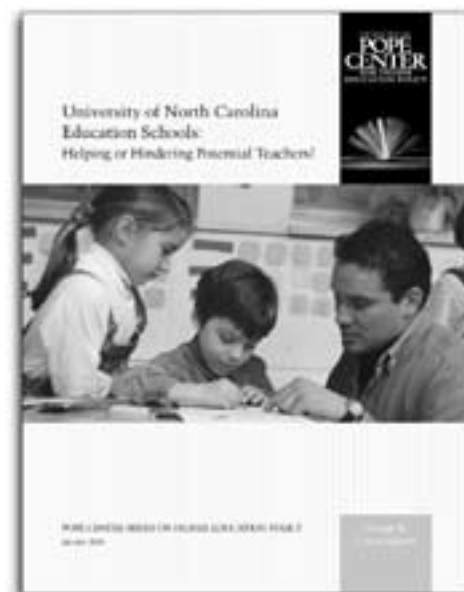
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George K. Cunningham

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Town and County

Buncombe landmarks

Asheville council members are questioning the city's practice of designating properties historic. A key concern is the reduced property tax revenues that come with the designation, the *Asheville Citizen-Times* reports.

Since 1979, 103 properties in Buncombe County have been designated local historic landmarks. Under state law, with the designation comes a significant tax break: property taxes are cut in half. Buncombe County, Asheville, Woodfin, and Asheville City Schools lost a total of \$507,751.51 in property taxes last year.

Asheville's share, at just under \$200,000 a year, is enough to pay for three additional police officers.

"The public is giving quite a bit without necessarily getting that public benefit," Councilman Brownie Newman said in questioning whether additional designations are in the city's best interest.

Proponents of the designation contend that the reduced property taxes merely help offset the higher maintenance costs associated with older properties that might otherwise be torn down. In addition, they argue that historic buildings encourage tourism.

Greensboro transportation

Greensboro is considering how to meet its transportation needs. One possibility being considered, the *Greensboro News & Record* reports, is a large transportation bond referendum.

City transportation planners have already put together a half-billion-dollar wish list, including \$205 million in short-term road construction needs. A shortened version of the list will be presented to city council in the coming months.

Greensboro's needs are even more basic than congested roads, though, because the city hasn't set aside enough money for maintenance in recent years.

A third of the city's streets are rated as being in "poor condition." Overall, a third of all streets need to be repaved.

The city has \$2.1 million budgeted for street repaving this year. That's enough to repave only 21 miles of Greensboro's 950 miles of city-maintained streets.

Greensboro also has 75 miles of sidewalks that need to be repaired. CJ

Revitalization Now Means Restaurant Subsidies

By JANA DUNKLEY

Contributing Editor

RALEIGH
Downtown revitalization plans are becoming increasingly popular in several North Carolina cities. For Raleigh, the revitalization plan includes giving financial incentives to a new restaurant on Fayetteville Street.

In an effort to entice the public to downtown Raleigh, in 2006 the City Council approved a nine-year and 11-month lease — backed by financial incentives — with the Raleigh Restaurant Group, which is the owner and operator of the four-star restaurant The Mint. The Mint is located on the first floor of the city-owned building One Exchange Plaza at 219 Fayetteville St., just a few blocks from the new convention center, which will open in September.

The lease agreement included an \$800,000 allowance of city funds to improve the building and "upfit" the area for a working restaurant.

Asheville started a downtown revitalization plan about 15 years ago. Winston-Salem adopted The Legacy Comprehensive Plan in March 2000. Raleigh joined the trend in 2003 with the Livable Streets plan. Each revitalization plan focuses extensively on growth and development, securing safer neighborhoods, and bringing people and businesses back to downtown.

The first step in the Raleigh Livable Streets plan includes the Fayetteville Street Renaissance project, which began in 2003. The plan called for a redesign of the street to allow for both pedestrian and automobile traffic. Once the project was completed in 2006 several new restaurants opened including The Big Easy, Yancy's restaurant, and most recently The Mint.

The lease agreement indicates that the first year of rent will cost The Mint \$12,922 per month. By 2016, the rent will increase to \$16,535.27 per month. In theory, the incentives given The Mint will be paid back to the city in the monthly rent. However, the city's taxpayers will foot the bill if the restaurant fails.

The "white tablecloth" restaurant is entering its sixth month of operation. Its cosmopolitan atmosphere features dim lighting, heated outdoor dining along Fayetteville Street, complimentary valet parking, and an upscale balcony bar on the second level. The cost of a lunch entree ranges from \$9 to \$15. Dinner, on average, can cost about \$30 per entrée.

With only a few months in business, it is too soon to know how the restaurant will fare. A study from Ohio State University reports that the failure rate of restaurants during the first three years in business is 57 to 61 percent.

For instance, The Grape was a wine bar and small-plate franchise in Cameron Village that opened in the summer of 2006. After a year-and-a-half of service the restaurant was not making enough to stay in business. Café Cyclo



The Mint restaurant on Fayetteville Street in Raleigh. (CJ photo)

"We already have good restaurants in downtown. Why did the city need to give [the Mint] a million dollars to open a restaurant?"

**Kennedy Parker
Owner of Café Luna**

and Nelson's restaurant in Cameron Village closed within the last two years as well. Although it remains open, Yancy's restaurant filed for bankruptcy in mid-February, according to *The News & Observer* of Raleigh.

New restaurants in Raleigh face heavy competition. According to downtownraleigh.com, the downtown

Raleigh streets are home to more than 60 dining locations. Upscale or not, the area offers plenty of dining options for residents and visitors.

Former City Council member Jessie Taliaferro had concerns that the city would not cater to the right crowd by opening upscale dining in a city-owned building.

Public employees work in the building and need a place to eat lunch.

"We have made many changes to downtown Raleigh," Taliaferro said. "The reality is it's mostly a daytime business area, and investments need to be made with that in mind."

Café Carolina is just a block across the street from The Mint and offers a much cheaper option for public employees concerned about finding an affordable lunch. For \$5 to \$6, a salad or sandwich is available, and there is no need to tip.

Private restaurant owners downtown will now compete with the lavish new restaurant. Kennedy Parker, owner of Café Luna on Hargett Street, agreed the city's plan made no sense.

"It's unfair," he said, "We already have good restaurants in downtown. Why did the city need to give [the Mint] a million dollars to open a restaurant? I think every restaurant downtown was taken back by the logic given by the city."

Economic incentives have been given to restaurants by local governments before in North Carolina. In 2000, Winston-Salem approved the Restaurant Row Loan Program, which was funded by a one-time Community Development Block grant of \$1 million and was distributed among 10 restaurants.

Currently, the funds for the Restaurant Row Loan Program have been exhausted, and city has no plans to re-fund the program. CJ

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Yanceyville Police Department Left Hanging by COPS Grants

By DONNA MARTINEZ
Associate Editor

RALEIGH

Citing the high cost of funding its own police force, the Yanceyville Town Council voted May 19 to dissolve its police department and contract with Caswell County for law enforcement services beginning July 1.

Based on a working figure of \$210,000 per year for sheriff's services, Yanceyville Town Councilman Fred Smith, a proponent, said once the town completes its obligations to current cases and the new arrangement is fully implemented, he expects the town to save about \$100,000 per year.

The 3-2 vote, which occurred at a special meeting of the town council and county commissioners, means that four police officers will lose their jobs. The annual fee paid to the county will fund new deputy positions in the sheriff's department that will help provide service to Yanceyville residents. Yanceyville's officers

can apply for the deputy jobs, but there is no guarantee they will be hired.

Acting Yanceyville Police Chief Kenneth Mitchell was on hand for the vote that shut down his department. He doesn't plan to apply for a Caswell deputy job. "It would kind of be like saying you aren't good enough to do a job one place, but you are good enough to go somewhere else," he said.

Like some other small police forces around the country, Yanceyville's department was born when former President Bill Clinton pledged in the mid-1990s to put 100,000 new cops on the streets by creating the Justice Department's Office of Community Oriented Policing Services. Yanceyville officials saw an opportunity to snag federal funds that required the town to match the grant with a relatively small amount of money. The department was created in 1996 and, over three years, received \$280,795 in COPS grants. The town matched that with \$93,598, Town Manager David Parrish said.

Financial reality set in when the COPS money dried up, leaving town taxpayers on the hook for 100 percent of the police bill. For a town whose population hovers just under 3,000, that's a tall financial order. This fiscal year, nearly one-third of the town's \$1,040,000 in budgeted revenues — \$336,000 — is

allocated to the police department. The town has been spending more on police than it generates in ad valorem taxes, Smith said. Over the past six years, he said, Yanceyville spent \$1.6 million on the department, but generated only \$1.1 million from property taxes.

Councilman Alvin Foster, who voted against closing the department, said the decision is a step backward. He said he is concerned that law-enforcement coverage might no longer be proactive, and that he doesn't view the cost of running the department as an issue. "Sometimes it's not about the money. It's about the service you provide, and

I think the service this police department provides is more important than the dollars and cents," Foster said.

County Commissioner Ken Travis said he will withhold judgment about the new city-county arrangement because financial and logistical details of the contract have not finalized. But he said he was concerned that deputies will

be overburdened, and he urged that details about replacement of police cars be clearly spelled out.

The Center for Local Innovation's Chad Adams said he hopes other local governments will see the stewardship lesson in the Yanceyville council's move to provide a fundamental service like law enforcement in a more cost-efficient way.

"They took the politics out of it," said Adams, who leads CLI, a special project of the John Locke Foundation. "A lot of cities see this as turf — meaning this is my turf and I don't want the sheriff's department on my turf," Adams said. "I think this a very open-minded approach to governance, and one that should be encouraged across the state."

When told of Yanceyville's planned shutdown, the Heritage Foundation's David Muhlhausen, who analyzes the impact of the COPS program, wasn't surprised. He said the federal government created a bad incentive by providing free money as startup grants.

Now, with crime typically either decreasing or remaining flat in many places, the question of need arises. "There was probably not much there to [make us] believe that when the grants expire, the police department was going to hang around for a long time," he said. CJ



Commentary

A Consultancy Solution

Whether it is a board of education, a city council, county commission, or even a state legislature, consultants are almost mainstays in local government. Usually, if there is a whiff of a perceived problem, someone will recommend a consultant take a look. Then taxpayers will pony up tens of thousands of dollars to get the analysis and recommendations from these modern-day gunslingers.

Ernie Pearson, of Randy Parton Theater fame, made many thousands of dollars going around to local public-funded economic development offices teaching them how to give away taxpayer money without getting in legal trouble. The gist of his spin was to change the word "rebate" to the word "grant" in most of their policies. His multithousand-dollar solution was essentially the same as the previous county he had just come from, and he simply changed the county name in the document.

Strategic Advisory Group and other convention center consultants make millions of dollars across the country determining whether communities need convention centers. If a city already has a center, then officials hire SAG, as Raleigh did, to tell them that the city needs a larger one. If a city has a large center that isn't making money, such as Charlotte's, then city officials hire SAG to tell them that they need a hotel to make it work. The short answer is SAG will inevitably tell officials that the answer is "yes," but that they need to spend money.

Counties and cities are particularly prone to the mysticism of consultants. For whatever reasons, local-government officials seem to believe that an outside consultant has the objectivity and expertise to provide a solution to a perceived problem. It's probably a sound strategy for the manager. With the consultant, the manager or superintendent escapes the local charge of having a political agenda. So, too, do local elected officials. When the consultant says a city needs a big, expensive building or school, each has plausible deniability with respect to the new spending request. In short, consultants have quite a racket.

It gets even funnier when different boards with different desires hire consultants to come up with different solutions. For instance, a

school board hires a consultant to say the board needs a massive demolition or rebuilding of a school, while the county commissioners consider hiring a firm to say that the school board doesn't, or that the board can do the job at lower cost.

Firms such as Moody's, which do bond ratings, have to look into these studies and a particular entity's ability to spend money. "The assumptions that go into feasibility studies are the problem," said Anne Van Praagh of Moody's. "The outside firms have no financial stake in the business."

And that's the crux of the issue. Consultants are the P.T. Barnums of our day. They come to town, give officials a study saying they need whatever conclusion they want, and walk away with the city's money.

The consultants might be useful, but they lack any type of risk with their solutions. They couldn't care less about the cost of their proposals, the tax burden, the business impact. And they shouldn't — that's not what they were hired to do.

A better start, in many instances, would be for communities to use their collective business acumen to first define a perceived problem and then move forward. Communities have a surprising and amazing array of talent at their disposal that often costs little, or no money, to use.

Simply put, it's a better solution to start the process. A board would put together a citizen-led board representing business and community interest with broad political ideologies to hash out a perceived problem, find a solution, and present their findings. This brings the community into solving the problem that citizens will ultimately pay for with their taxes. The creation of a citizen-led solution is more cost-effective, more timely, brings broad support, and shows a great deal of trust. Ultimately, it's about whether a board is truly interested in finding a solution or paying for a desired outcome. CJ

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



Chad Adams

Local Innovation Bulletin Board

Property Tax Revolt?

Arizona is one of a growing number of states and big cities looking to raise taxes on homes to close budget gaps in 2008 and 2009. Lawmakers mulling other revenue-raisers to close budget deficits need to know that these might also exacerbate the housing decline, *The Wall Street Journal* says.

From 1980-1990, the 10 states that increased their state and local tax burdens the most experienced a 12 percent decline in prices versus a 48 percent increase in housing values for states that reduced their tax burden the most.

A permanent \$200-a-year increase in the property tax could reduce the sales value of the home by \$1,200 to \$1,800, according to a review by the Center for Business and Economic Research.

State and city governments lived well during the housing boom. From 2000-07 property tax collections climbed by 62 percent, two-and-a-half times faster than per-capita incomes, according to Census Bureau data. Homeowners tolerated the tax increases as long as the equity in their homes was rising. But voters might not be so forgiving when values tumble and assessments lag behind this fall in prices.

One early sign of voter discontent came last year in Indiana, where 21 mayors lost re-election bids because of homeowners' anger over taxes.

'Clean' fuel pollution

Residents of a subdivision in Moundville, Ala., noticed an oily, fetid substance fouling the Black Warrior River.

The source turned out to be an old chemical factory that had been converted into Alabama's first biodiesel plant, a refinery that intended to turn soybean oil into earth-friendly fuel.

The oily sheen on the water returned again and again, and a laboratory analysis of a sample taken in March 2007 revealed that the amount of oil and grease being released by the plant was 450 times higher than permit levels typically allow, *The New York Times* reports.

According to the National Biodiesel Board, biodiesel is nontoxic, biodegradable and suitable for sensitive environments, but scientists say

that position understates its potential environmental impact. Bruce P. Hollebone, a researcher with Environment Canada in Ottawa, said that like most organic materials, oil and glycerin deplete the oxygen content of water

quickly, and that fish and other organisms will suffocate. And for birds, a vegetable oil spill is just as deadly as a crude oil spill.

"I'm all for the plant," Mark Storey, a retired petroleum plant employee, told the *Times*. "But I was really amazed that a plant like that would produce anything that could get into the river without taking the necessary precautions."

The situation has led to the irony of environmentalists filing a complaint in federal court against the makers of the "earth-friendly" biodiesel.

Detroit's dysfunction

Although few believe that Detroit Mayor Kwame Kilpatrick can hang on until the end of his term next year after a recent sex scandal, there is also worry that, without him, his economic reforms will wither. That, actually, wouldn't be such a bad thing, says Shikha Dalmia, a senior analyst at the Reason Foundation.

Kilpatrick's entire economic revival plan rests on attracting high-profile, flashy projects. He has been more successful than his predecessors because of his wily ability to cut deals and push them through a dysfunctional city bureaucracy. Kilpatrick managed to land the contract to host the 2006 Super Bowl. He also persuaded General Motors, Compuware, and Quicken Loans Inc. to relocate their offices downtown. His efforts also created three casinos, and persuaded developers to restore old, historic hotels to serve the casino patrons.

Kilpatrick lured each of these projects with targeted tax breaks and subsidies. But corporate giveaways are not the stuff of an economic revival. Every indicator of economic and civic renewal has trended in the wrong direction since Kilpatrick became mayor.

There is not a single year in which Detroit's unemployment rate, about 15 percent, has been lower than in 2001, the year before he took office. Income tax revenues last year were \$27 million less than those three years ago. CJ

**From Cherokee to Currituck****Voters Spurn Extra Local Taxes**

By MICHAEL LOWREY

Associate Editor

CHARLOTTE

Twenty-four N.C. counties sought voter approval for additional taxes in May. In all but two cases, the tax referendum failed.

"More than 540,000 voters in nearly a quarter of the state's counties had a chance to tell county commissioners what they think about higher tax rates," said John Hood, president of the John Locke Foundation. "More than two-thirds of those voters delivered a clear signal: Elected

leaders need to forget about draining more money away from the local taxpayer."

Last year, the General Assembly authorized counties to impose the taxes, subject to voter approval, either an additional 0.25 percent increase in the local sales tax or a 0.4 percent land transfer tax.

Counties were even free to put both taxes before voters and select one over the other should both pass.

Ashe, Gates, Orange, and Tyrrell counties placed the land transfer tax before voters. It was defeated in all four counties.

"Some county commissioners apparently ignored the news last fall, when 80 percent of voters rejected land-transfer tax increases, sending all 16 proposed tax hikes to defeat," Hood said.

Voters in 18 of 20 counties rejected a proposal to increase the local sales tax. Cumberland and Haywood County voters approved the sales tax increase, while the proposed tax increase was defeated in Duplin, Edgecombe, Gaston, Greene, Guilford, Henderson, Hertford, Lee, Lincoln, Moore, Nash, Onslow, Randolph, Rockingham, Stanly, Wayne, Wilkes, and Wilson counties.

Dallas hit with record fine

The Gaston County town of Dallas has been assessed the largest fine ever imposed by the state for water pollution. The N.C. Division of Water Quality's \$141,123 fine comes for a variety of violations that caused a layer of sludge four to eight inches thick to form downstream of the town's water treatment plant.

The town is appealing the penalty, *The Charlotte Observer* reports.

State officials came across the sludge in the Dallas Branch in November and followed it to the town's wastewater plant. The facility had been running at half capacity, with effluent loaded with

solids and not treated with chlorine.

In addition, a daily operations log was not being kept as required and water sample tests were falsified.

"We feel that the fine is definitely over the top, especially with all the cooperation we've put in," said Town Manager Steve Miller. "We know there were some people down there that didn't do what they were supposed to do, and we took appropriate action to release

those individuals and to correct what was wrong with the plant."

The town's water system has 2,900 custom-

ers.

In addition to the fines, the state revoked the licenses of two former employees at the wastewater plant. George Hughes, who managed the facility, and plant operator Kirby Case were fired by the town in December. Case is also facing federal felony charges for knowingly discharging pollutants and falsifying documents.

IRS eases up on Creedmoor

The Internal Revenue Service agreed to reduce the amount of penalties it assessed against Creedmoor to about \$200,000. The IRS found problems with the town's finance department, the *Henderson Daily Dispatch* reports.

"It is not the entire story because we've got multiple things that we're working on with the IRS and this has to do with the 941s, the nonpayment of the payroll taxes," Creedmoor Mayor Darryl Moss said of the letter. "This is their ruling on that piece of it."

The IRS originally imposed a \$1.2 million fine against Creedmoor last year after finding that the town hadn't properly filed payroll tax reports from 2000 through 2007.

The IRS was not impressed with assertions by Town Finance Director Eleanor Fowler that the documents were lost in the mail. Fowler has since retired. In its action, the IRS waived penalties for all but the latest tax periods, for which it found the town had failed to follow the "procedures of normal business care and prudence."

After the IRS action, the town contacted the state's Local Government Commission for assistance. The LGC found a variety of problems in the town finance department, including entrusting Fowler with too much authority, a failure to separate duties, and allowing the finance department to become backlogged. CJ



Revision of Annexation Laws Growing as a Legislative Issue

By SAM A. HIEB
Contributing Editor

GREENSBORO

The N.C. House Select Committee on Municipal Annexation, responding to citizens' growing concern over "city-initiated" expansions, recently recommended legislation that would impose a one-year moratorium on annexation.

The moratorium would allow specific revisions to North Carolina's 49-year-old annexation laws to be presented during the 2009 regular session.

Such revisions could include greater oversight of cities to ensure that services such as water and sewer are provided to annexed residents in a timely manner and a prorated tax schedule compensating citizens who do not receive services in a timely manner.

The legislation was recommended by the House Select Committee on Municipal Annexation, co-chaired by Rep. Paul Luebke, D-Durham, and Rep. Bruce Goforth, D-Buncombe. A bill is expected to be filed later in the short session.

"The consensus of the committee was there were enough problems with the existing law that revisions are appropriate," said Luebke.

While Goforth emphasized that many North Carolina cities are treating annexed citizens fairly, others "are really taking advantage of their constituents. I think we have a runaway train, and we need to take a look at what we're doing and tighten the rules."

North Carolina's annexation laws are among the most liberal in the country, meaning they make it easy for cities to annex areas with little oversight.

Reasoning that "sound urban development is essential to the continued economic development of North Carolina," state law permits towns to expand more easily than cities in most states,



"I am not one of those who feel like we should go to a vote on annexations by the people who are going to be annexed."

Rep. Joe Hackney
N.C. House Speaker

permitting a city to do so by simple action of its elected officials without a vote by affected citizens.

To "qualify" for involuntary annexation, an area must be contiguous to the corporate limits, must not be situated within another incorporated municipality, and must be ready to be developed for urban purposes.

The committee's action comes while cities around North Carolina are annexing surrounding communities at a high rate. According to the Office of State Budget and Management, annexed areas represented 52 percent of total population growth among cities with populations greater than 2,000, although it did not distinguish between voluntary annexations and "city-initiated" annexations.

In Greensboro, the majority of recent annexations were "city-initiated," and citizens turned out in large numbers to speak at a Greensboro City Council public hearing on the issue.

"The obvious cost of annexation is, of course, increased taxes. But the numbers do not show the huge financial burden this will place on our families," said Heather Armstrong, a resident of McLeansville, an area north of Greensboro. "To increase the taxes in a time of housing crisis and economic instability, I

fear the hidden costs will be slower home sales and increased foreclosures."

The issue of services runs two-fold. While timeliness is an issue, as it is in Fayetteville, where 40,000 annexed residents might have to wait another 10 to 15 years to receive services on which they are already paying taxes, many residents don't want city services.

Lydia Boesch, a lawyer representing the Pinewild community in its annexation fight against the Village of Pinehurst, said North Carolina's annexation laws predate the advent of gated communities, where residents often pay for their own sewer, water, and roads.

"No court, federal or state, has ever addressed the forced annexation of a private, gated, common-interest community," Boesch said. "It's real clear when you go into legislative history that the General Assembly never contemplated this type of annexation. A situation like ours didn't exist."

Pinewild has both state and federal cases working their way through the court system, both on the basis that a wide range of Pinewild residents' rights — privacy rights and contractual rights among them — are being violated, Boesch said.

Residents are also angered by the fact that they have no say over whether

they're annexed.

"I was astounded that, having fought for this country, that I didn't get a vote on what's going to happen to me," said Doug Aitken, a Pinewild resident and president of the Fair Annexation Coalition, an activist group speaking on involuntary annexation.

Aitken believes that real change would have to occur through the General Assembly. The question is whether the change will really occur. Aitken's "gut feeling" is that a moratorium will pass in the House, but will face an "uphill battle" in the Senate.

Even if a moratorium bill passes both chambers, legislators might not follow through with the recommendations to revise the law.

"If you're a cynic, you can say everybody's going to vote for the moratorium and then get re-elected and slam the door on the specifics," Aitken said.

Legislative leaders are noncommittal.

Senate Majority Leader Tony Rand has said publicly he wasn't sure whether proposed legislation would qualify for consideration, while House Speaker Joe Hackney told the Asheville *Citizen-Times* that current annexation laws have served North Carolinians well.

"I am not one of those who feel like we should go to a vote on annexations by the people who are going to be annexed. I don't think anybody would ever get annexed if you did that," Hackney said.

The bill likely will be opposed by the N.C. League of Municipalities, which opposed a 2007 Senate bill establishing a two-year moratorium on annexation in Hoke County because "it would establish a dangerous precedent of local bills chipping away at statewide annexation and planning authority." CJ

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Burlington	WBAG	AM 1150	Saturdays	9:00 AM
Chapel Hill	WCHL	AM 1360	Sundays	6:00 PM
Elizabeth City	WGAI	AM 560	Saturdays	6:00 AM
Fayetteville	WFNC	AM 640	Saturdays	1:00 PM
Gastonia/Charlotte	WZRH	AM 960	Saturdays	2:00 PM
Goldsboro	WGBR	AM 1150	Saturdays	6:00 PM
Greenville/Washington	WDLX	AM 930	Saturdays	10:00 AM
Hendersonville	WHKP	AM 1450	Sundays	6:00 PM
Jacksonville	WJNC	AM 1240	Sundays	7:00 PM
Newport/New Bern	WTKF	FM 107.3	Sundays	7:00 PM
Salisbury	WSTP	AM 1490	Saturdays	11:00 AM
Siler City	WNCA	AM 1570	Sundays	6:00 AM
Southern Pines	WEEB	AM 990	Wednesdays	8:00 AM
Whiteville	WTXY	AM 1540	Tuesdays	10:00 AM
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From the Liberty Library

• Encroaching cultural relativism has handicapped America's ability to meet the challenges presented by radical Islam, leaving the nation open to ideological forces with radical global ambitions, according to author Herbert London in *America's Secular Challenge: The Rise of a New National Religion*.

Opposition to traditional religion, multiculturalism and cultural relativism, materialism, belief in scientific rationality as the ultimate arbiter of human value: Taken together, these features of the secularist's creed underwrite a view of life that is ill-equipped to counter the inroads of fanaticism.

By undermining the traditional roots of America, says London, secular humanism has destroyed the West's only beliefs worth defending. Learn more at www.encounterbooks.com.

• The past 35 years have marked a period of conservative resurgence. Although interrupted in the late 1970s and temporarily reversed in the 1990s, the political Right continues to dominate American public life. In *The Age of Reagan*, Sean Wilentz traces this rebirth and the momentous consequences that followed.

A conservative hero in a conservative age, Ronald Reagan was so admired by a minority of historians and disliked by the others that it has been difficult to evaluate his administration with detachment.

Drawing on numerous primary documents that have been neglected or only recently released to the public, Wilentz offers invaluable revelations about conservatism's ascendancy and the era in which Reagan was the pre-eminent political figure. Visit www.harpercollins.com for more.

• With his hypocritical lifestyle and alarmist rhetoric, Al Gore does more damage than good to the Earth. That's just one of the many inconvenient truths you'll find in Iain Murray's rollicking book, *The Really Inconvenient Truths*.

In this witty diatribe on liberalism, Murray exposes seven of the all-time great environmental disasters caused by the Left, revealing the undeniable fact: Environmentalists create more problems than they fix.

Murray sets the record straight, offering practical solutions for each problem and a three-pronged plan to avoid future catastrophes — something that liberalism has yet to do. Available at www.regnery.com. CJ

Book review

Reagan and Thatcher: A Political Marriage

* Nicholas Wapshott: *Ronald Reagan and Margaret Thatcher: A Political Marriage*; New York; Sentinel; 2007; 337 pages

By HAL YOUNG

Contributing Editor

RALEIGH

Ronald Reagan was deeply attached to Nancy. Biographer Nicholas Wapshott notes in his introduction that Reagan pined after her whenever she was away, and Reagan's diary is filled with affectionate dependence on the woman he called "Mommy."

The one role Nancy couldn't fill for him was that of political ally and confidant. That fell to Britain's formidable prime minister, Margaret Thatcher, whom Reagan befriended while he was governor of California and she the new Tory leader. Their political partnership, and a true friendship besides, was so close that Wapshott's book *Ronald Reagan and Margaret Thatcher* is subtitled *A Political Marriage*.

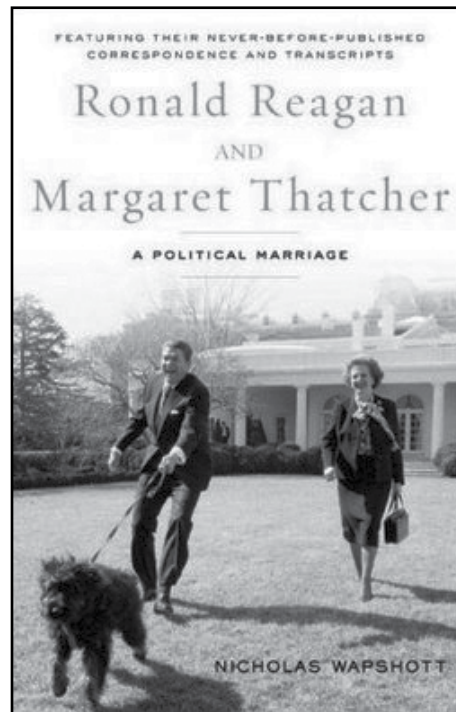
Wapshott is an editor and columnist for *The New York Sun*. His early years in journalism were covering Thatcher for *The Times* of London and writing a 1983 biography published during her administration. He said the present book was prompted by his closehand observation of the interaction between the leaders.

"What I could not have guessed," he writes, "was that the hard documentary evidence buried in the National Archives would so readily confirm that the notion of a political marriage, had, if anything, been vastly underestimated."

The concept has long (and literal) history in European diplomacy. How would that play out in modern international politics? Probably much like the relationship between Reagan and Thatcher. Wapshott doesn't overwork the analogy, but he frequently touches on it, and there is good reason. In their public statements the two frequently affirmed the "special relationship" between their countries, and in their personal letters, their own friendship.

A real affection comes through the newly released letters between the leaders. "The message I give everyone is that anything which weakens you, weakens America; and anything that weakens America weakens the whole free world," Thatcher wrote to Reagan during the Iran-Contra hearings.

He considered their friendship a gift of God. "Throughout my life, I've always believed that life's path is determined by a Force more powerful than fate. I feel the Lord brought us together for a profound purpose, and that I have been richly blessed for having known you," he wrote. "I am proud to call you one of my dearest friends, Margaret, ... and thankful that God brought you



Like a successful marriage, Reagan and Thatcher started with a shared philosophy but complementary personalities.

into my life."

Like a successful marriage, Reagan and Thatcher started with a shared philosophy but complementary personalities. Reagan was quintessentially American, forever cheerful, optimistic about the basic goodness of his country and its people, though favoring broad concepts over detailed policy prescriptions.

Thatcher, on the other hand, was more combative, pessimistic, and quite willing to micromanage both her own government and any part of U.S. affairs she found in reach. Although derided by Fleet Street as "Reagan's Poodle" for her close consultation with the United States on policy matters, she was the more forceful of the pair, inviting herself to Washington for state visits and readily pushing, or rebuking, the American president to try to shape U.S. policy for British goals. Wapshott says her unprecedented access to the president made her an unofficial member of Reagan's Cabinet, and an effective one.

It is clear, though, that if Reagan went along with Thatcher's sometimes urgently pressed advice, it was because her position already agreed with his own. When he acted in opposition to her views, it could be a shock to the relationship. The prime minister was furious with him for refusing to back

Britain immediately on the Falkland Island war and later, for his willingness to commit American forces to intervene on Grenada without full consensus with Britain.

She had no patience for Reagan's desire for nuclear disarmament, either, and Wapshott says her reaction to his failed 1986 Reykjavik summit with Mikhail Gorbachev was "a caustic mixture of hurt, anger, and relief" — thankfulness that America's nuclear shield was still in place over Europe, but outraged that Reagan was willing to trade it away in pursuit of his larger goal.

Thatcher descended on Washington a month after the summit to deliver "many hard words" to Reagan. Later, though, she frankly described their meeting in terms of a resolved domestic scrap. "Yes, of course you get some irritable remarks now and then," she said. "Don't you in every family? Don't you, when you have a close family relationship, say some things which are just said in a moment of anger and they do not mean anything more than that?"

Wapshott writes early in the book, "It was typical of both that, having decided upon a close personal and political partnership, they never again questioned their initial judgment. Even when ... they found each other difficult, demanding, obstinate, and exasperating, they readily forgave each other. Like a longtime married couple, they took the disagreements in good heart and offered comfort and support at every turn."

In both countries, the principled conservatism of the early 1980s fell aside with the very next officeholder. Reagan's running-mate compromise of 1980 made George Bush the "kindler, gentler" heir who reneged on Reagan's key issue, tax reduction, and aborted a nearly successful rout of Saddam Hussein's tyranny.

Thatcher had her feet cut out from under her by fellow Tories running to her left, likewise aiming to soften her doctrinaire position. By the early 1990s the opposition party in both countries had successfully fielded centrist candidates who appropriated elements of "Reaganomics" and "Thatcherism" for their own. Perhaps their children are named in policies rather than people.

However, Wapshott sees the peaceful end of Soviet Communism, not domestic economics, as the true legacy of Reagan and Thatcher's alliance. By reinvigorating their countries' economies and re-establishing confident foreign policies, he says, they set the stage for a controlled collapse of the Iron Curtain.

"It may be too great a claim to say that Reagan and Thatcher brought about the end of the Cold War," he says, "but the pair did far more than merely preside over its aftermath. They peacefully escorted the world across the threshold of a new era." CJ

County Names Honor the Rich History of Defenders of Liberty

Some North Carolina counties, including Cherokee, Pasquotonk, and Perquimans, are named for Indian tribes. A few are named for bodies of water. And some are named for English nobles such as the Earl of Halifax or the Earl of Mount Edgecombe.

Yet the majority of North Carolina counties are named after American patriots, friends of the American cause during the Revolutionary period, or defenders of liberty during the state's early years. Each county's namesake should not only remind readers about North Carolina's rich history but also about the principles that these men defended. A list and brief description of 20 counties follow:

1. Buncombe County (established 1791, hereinafter the year of a county's establishment will be in parenthesis) is named for Colonel Edward Buncombe of North Carolina.



Dr. Troy Kickler

At the battle of Germantown (1777), the English captured the wounded Patriot. He later died of wounds.

2. Edmund Burke, English statesman and political theorist, is the namesake of Burke County (1777). Many consider Burke to be the Father of Anglo-American conservatism.

3. Camden County (1777) is named in honor of the Earl of Camden, who opposed taxation of the American colonies. Disgusted with the Earl's political views, Lord North removed the Earl from his post as Lord High Chancellor.

4. Chatham County (1770) derives its name from William Pitt, Earl of Chatham. In Parliament, Pitt had defended the American colonies. On his deathbed in 1778, Pitt praised the colonies for their resistance.

5. Davidson County (1822) derives its name from General William Davidson. He died at Cowan's Field (1781) during the American Revolution.

6. Davie County is so called in compliment of General William R. Davie. When North Carolina lacked money to raise troops, Davie donated his fortune and helped raise money to form North Carolina regiments.

7. Gates County derives its name from General Horatio Gates, who defeated the British at Saratoga (1777) and helped turn the tide of war in the American favor.

8. Iredell County (1788) is named for James Iredell, Sr., a leading Federalist during the ratification debates and later one of the first justices of the U.S. Supreme Court.

9. Jones County was named for Willie Jones, who not only fought during the Revolutionary War but also opposed the ratification of the Constitution out of a concern to protect liberty.

10. Lincoln County (1779) was not named for Abraham Lincoln but for Benjamin Lincoln who battled the English throughout the South and who was appointed by General Washington to accept conquered English guns at Yorktown.

11. In 1828, Macon County was named for Nathaniel Macon—a leading statesman and opponent of taxation during the early republic era and one whom Thomas Jefferson called “the last of the Romans.”

12. Montgomery County (1779) derives its name from General Richard Montgomery, who died in 1775 while fighting heroically at Quebec.

13. Moore County (1784) is named after the esteemed Associate Justice of the U.S. Supreme Court, Alfred Moore.

14. Nash County (1777) is named in honor of General Francis Nash, who died fighting the British at Germantown.

15. General Thomas Person was honored with the naming of Person County (1791). The general had opposed the Stamp Act, evinced a “de-

voted love of liberty,” and risked life during the Revolutionary War.

16. Randolph County (1779) is named for Peyton Randolph, the president of the First Continental Congress and uncle of the first Attorney General of the U.S., Edmund Randolph.

17. In 1785, Rockingham County was formed and named after another friend of America, Charles Watson Wentworth, Marquis of Rockingham. He and William Pitt worked in concert to defend American rights in Parliament.

18. Stokes County (1789) derives its name from Colonel John Stokes, who gallantly served during the American Revolution, most notably at Waxhaw, where an enemy sword cut off his hand. President Washington later appointed Stokes to be a district judge.

19. Created in 1779, Warren County's namesake is Dr. Joseph Warren. The Massachusetts doctor's popularity grew when he strongly criticized the British for killing Americans at the Boston Massacre and for unfairly taxing Americans. His contemporaries said that “no example in Roman history” exceeded his moral courage and oratory. The doctor died while fighting at Breed's Hill (1775).

20. Wayne County (1779) is named in compliment of General Anthony Wayne (also known as “Mad Anthony” for his daring style and quick temper). He served valiantly throughout the Revolution and earned commendations and medals for his bravery. CJ

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

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Short Takes on Culture

'Lives' Offers Grim Portrayal

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

Georg Dreyman is a successful East German playwright. He writes socialist-realist plays that please the GDR's Minister of Culture. He lives a prosperous life in a plush apartment (by East Berlin standards) with Christa-Maria Sieland, the lead actress in many of his plays.

But the Stasi, East German secret police, suspects him because he associates with known anti-government artists. Stasi Capt. Gerd Wiesler is ordered to bug Dreyman's apartment in order to collect evidence of his antigovernment activities.

Stop! Do not try to learn any more about the plot. Do not read any of the reviews, because if you do, it will greatly reduce the impact of this film.

I will say that the movie depicts life in grim and gray East Berlin accurately. It shows the corruption of the East German Communist Party leadership, and the Stasi bugging operations are technically accurate.

If that is not enough to entice you to see this movie, consider this: John Podhoretz in National Review Online called the film "one of the greatest movies ever made, and certainly the best film of this decade."

William F. Buckley Jr. wrote in his review that "after the film was over, I turned to my companion and said, 'I think that this is the best movie I ever saw.'" I wholeheartedly concur.

Enough said. Now go rent the movie. You won't be disappointed.

— MICHAEL SANERA

• "Forgetting Sarah Marshall"
Universal Pictures
Directed by Nicholas Stoller

Not exactly your typical breakup movie, "Forgetting Sarah Marshall" pushes the limit on the new line of comedy from the guys in "Knocked Up" and "The 40-Year-Old Virgin."

Written by and starring Jason Segel, the movie follows TV music composer Peter Brener, who gets dumped by his actress girlfriend Sarah Marshall (Kristen Bell), after being together for five years. The devastated Peter, after wallowing in his own sorrow and making a few bad decisions along the way,

decides to take a break and head for Hawaii.

Like a slap in the face, when Peter shows up at the resort of his choice, Sarah Marshall has already been vacationing at the same place with her new, and slightly off, boyfriend.

The rest of the movie follows the mishaps and tiny victories of Peter and the awkwardness that comes from running into his ex and her new guy at just about every venue on the island.

This is definitely a comedy aimed at a younger audience or those who have a fairly open sense of humor. Although not to be confused with nonstop craziness from other such films, the humor of this movie mostly follows along with the main plot and gives a surprising amount of closure at the end.

— JOEL GUERRERO

• "Not Just The Best of The Larry Sanders Show"
Sony Pictures
Directed by Todd Holland

Ever wonder what it's like behind the scenes of your favorite late-night television talk show? Comedian Garry Shandling gave viewers some idea with his successful HBO comedy, "The Larry Sanders Show."

Shandling's concept was truly unique. Though the Sanders show, which ran from 1992 to 1998, was pure fiction, parts of it were like a real-life talk show, taped in a multicamera format, complete with a monologue filled with '90s political humor as Sanders takes jabs at Dan Quayle, Bob Dole, and Monica Lewinsky. Big-name celebrities, such as Robin Williams, Billy Crystal, and Carol Burnett, show up to dish the dirt.

But the behind-the-scenes shots were filmed in the one-camera sitcom style. Shandling is great as Sanders, the emotionally needy star of the show. Rip Torn, as the show's veteran producer Artie, keeps Larry grounded while insulating him from meddling network bosses. But Jeffrey Tambor, as Larry's egomaniacal yet hypersensitive sidekick Hank Kingsley, is the real scene-stealer as he deals with his various personal issues, whether it's a sudden conversion to Judaism or a car deal with musician Elvis Costello that goes wrong.

Special features include interviews with cast members and deleted scenes. If the usual two-hour movie rental is getting boring, check out "The Larry Sanders Show."

— SAM HIEB CJ

Book review

T. R. Just Too Much For 300 Pages

• Aida Diplace Donald: *Lion In The White House: A Life of Theodore Roosevelt*; New York; Basic Books; 2007; 287 pp.

By HAL YOUNG
Contributing Editor

RALEIGH

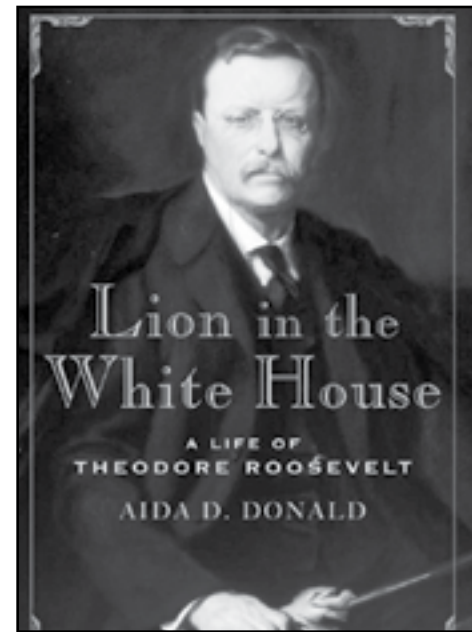
Certain things lend themselves to condensation. Many historical characters will fit happily between the covers of a 300-page biography. Theodore Roosevelt, however, is not one of them. Although historian Aida D. Donald, editor-in-chief of Harvard University Press, makes a valiant effort in *Lion In The White House: A Life of Theodore Roosevelt*, there is too much Theodore to compress into such a short compass.

Roosevelt was an overwhelming presence in his time, described as "a force of nature" by some and a polymath by others. Donald frankly acknowledges the difficulty of summarizing this life in her introduction, when she notes "realizing [him] is always a challenge." Small wonder, his career path was anything but smooth, and in a 61-year life, he had credible starts to enough professions for five men.

A young naturalist, Roosevelt published his first scientific paper at the age of 19. While at Harvard, he began a naval history that was later placed on every U.S. warship. Roosevelt climbed the Matterhorn on his honeymoon and mapped a 1,500-mile river through the Amazon jungle after "retirement." As a soldier, he earned the Medal of Honor. As a diplomat, he won the Nobel Prize. As a reformer, he took on the New York City Police Department. His 38 books cover everything from habits of wildlife to political biography. In the midst of it all, he was one of the most activist presidents the republic has ever seen.

There are difficulties framing Roosevelt culturally and politically, as well. In modern terms, Roosevelt was a cultural conservative and an unabashed American exceptionalist who elevated saber rattling to an art and rejuvenated the Monroe Doctrine. An avid sportsman and sometime rancher, he was a conservationist, not an environmentalist. Roosevelt was a busy but indulgent father to his large family, and told his *Autobiography* that "for unflagging interest and enjoyment, a household of children, if things go reasonably well, certainly makes all other forms of success and achievement" — specifically including the Presidency — "lose their importance by comparison." Evangelicals love him.

At the same time, Roosevelt attempted to remold the GOP into a Progressive party and created an imperial presidency for himself, a move that Donald seems to approve. Aides, Cabinet members, and Congress were alarmed and overwhelmed by the en-



ergy and autonomy he brought into the office. Henry Adams, a descendant of two earlier presidents, observed with fascinated horror that Roosevelt was "pure act." Donald calls him "a human steam engine in a pince-nez." The conservationist-in-chief rushed to set aside large tracts of federal land with a stroke of the executive pen before Congress could restrict him. He called for universal health care and targeted the biggest American businesses as part of "an invisible government" and "unholy alliance" that must be destroyed. A policy conservative, he wasn't.

And that is the ultimate problem with the present book — it's too much to cover in such a short span. Biographies are meant to display the character and personality of the subject. Roosevelt had a surplus of both, and whether you agree with his policies or not, Roosevelt is an immensely entertaining personality — and intentionally so: Donald says he was "his own limelight," and his own daughter complained of his hunger for attention. His life has a similar craving, for paragraphs and pages of explanation, and there simply aren't enough here. The author is forced to fly through significant, and formative, portions of Roosevelt's life, like a tour bus that stops at the Eiffel Tower but only waves at the Louvre — you see it go by, but you don't have time to look inside.

There are several factual errors in the book. Clay Jenkinson of the Theodore Roosevelt Center at Dickinson State University has pointed out that Donald misstated Roosevelt's duration of service in Cuba by a factor of three, claimed the would-be assassin in Milwaukee was "unknown" (he was apprehended on the spot), and totally displaced the Brazilian river now called "Rio Teodoro" — it originates south of the Amazon, not north of it.

The basic narrative isn't harmed, but it makes the author look careless.

CJ

Nanny State Government Whips Its Children Into Shape

• David Harsanyi: *Nanny State: How Food Fascists, Teetotaling Do-Gooders, Priggish Moralists, and other Boneheaded Bureaucrats are Turning America into a Nation of Children*; Broadway Books; 2007; 236 pages; \$24.95

By **GEORGE LEEF**
Contributing Editor

RALEIGH
Several years ago I had driven a colleague to his house, a little more than a mile from the office. While driving back over city streets at low speeds, I was stopped by a policeman. Why? Because I had neglected to buckle my seatbelt. For having ignored that nanny state regulation, I was hit with a ticket.

Alas, the nanny state is not confined just to traffic enforcement in my town. It has spread its flabby, bossy, annoying self across the whole of America and almost every day some new mandate or prohibition is decreed. The busybodies in Washington, D.C. dictate that we must use only certain kinds of light bulbs and may not use the Internet for gambling, which city officials in San Francisco demand that "pet guardians" (their approved term for pet owners) must have a tip-proof water dish for Fido and change the water at least once a day.

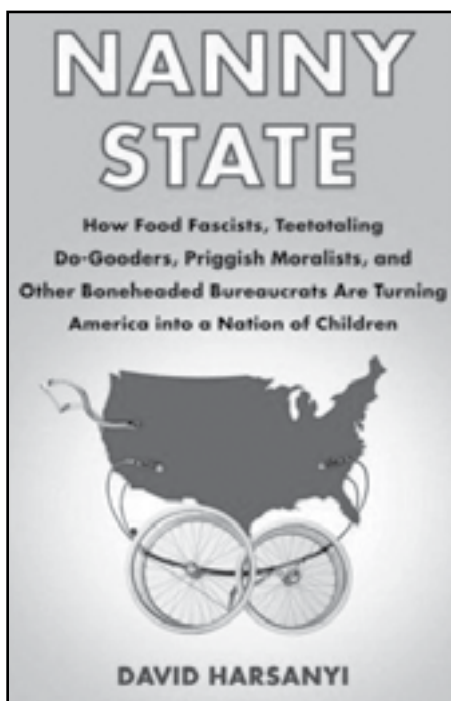
In his book *Nanny State*, *Denver Post* reporter David Harsanyi gives us a survey of the numerous fronts on which America's officious meddlers, scolds, and busybodies are waging war against our freedom. "As you read this," he writes, "countless do-gooders across the nation are rolling up their sleeves to do the vital work of getting your life straightened out for you."

The idea that the government needs to treat us like children is every-

where. President Bush's chief of staff revealed that his boss "sees America as we think about a ten-year-old child." Back in his days as vice president, Al Gore said that government was "like a grandparent in the sense that grandparents perform a nurturing role." Republicans and Democrats both love the nanny state concept, although they sometimes disagree as to exactly where to apply it.

Many Republicans, especially of the "social conservative" faction, demand nanny state measures to save us from our own immorality, enthusiastically pursuing laws against gambling, pornography, and other vices. Such initiatives are presumably of no interest to liberal Democratic busybodies, who instead demand that government control us so we'll be safer, healthier, and more kind to the planet.

Unfortunately, Harsanyi points out, the different nanny factions don't fight each other. Instead, the two big anti-freedom clans seem to have worked out a pact that says, "We won't try to



The nanny state has spread its flabby, bossy, annoying self across the whole of America.

block your do-gooderism if you won't try to block ours."

Unlike a real nanny or parent who sends you to your room if you aren't good, the modern nanny state is prepared to use force majeure against its disobedient children. Harsanyi relates some jaw-dropping stories where the nanny comes in SWAT gear and packing heat. When it comes to cracking down on Things That Are Bad, the nanny staters are happy to copy the tactics of Prohibition enforcers — armed raids in the middle of the night.

Police state enforcement doesn't much trouble the Supreme Court, either, which found

no constitutional problem in jailing a mother who had briefly and slowly driven her car with a child unbuckled.

Arresting a mother in front of her children is disgusting, but Harsanyi has even worse tales to tell. In 1998, a SWAT team was sent along with officials who were intent on serving a warrant on a gambling operation. A security guard who thought the raid was by a criminal

gang was fatally shot in the confusion. The guard was "collateral damage" in the great war to rid America of its vices.

Slowly but surely our freedom to live as we please is being erased by self-righteous crusaders who believe themselves entitled to use coercion to make us behave the way they know we should. Their crusades are a menace to what's left of liberty in America.

My only quarrel with the book is Harsanyi's optimistic statement that our burgeoning nannyism "is anathema to the spirit of the American people." I'm afraid that such spirit was broken long ago. It was broken not by niggling annoyances like mandatory seat-belt usage, but with massive frontal assaults such as Social Security and compulsory school attendance laws. Once the authoritarians among us had established that they could get away with huge infringements on freedom, the nanny state became a sure thing. People accustomed to the lash won't rebel at frequent spankings with a willow switch.

The sad fact is that most Americans have had the spirit of independence crushed out of them, thanks to public education and other sources of collectivist propaganda. Has any politician ever been voted out of office for his support of nannyism? I'm not aware of even one instance. I rest my pessimistic case.

Still, damp as the kindling might be, it is worth the effort to ignite the flame of resistance to the continuing encroachments on our liberty to live our lives as we choose. *CJ*

George Leef (georgeleef@aol.com) is book review editor of The Freeman and vice president for research of the Pope Center for Higher Education Policy.

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By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



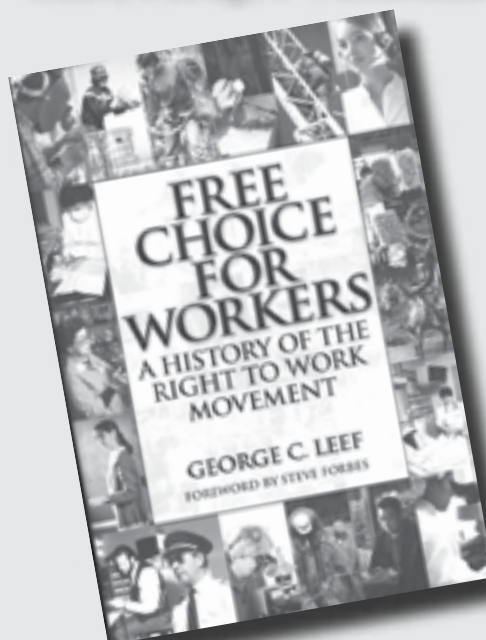
"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

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Free Choice for Workers:

A History of the Right to Work Movement



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Commentary

War and Perception

In theory, the concept of the recently celebrated Memorial Day is simple: a national holiday to remember and honor those who gave their lives for their country in wartime. Remembrance of war dead, though, goes beyond the obligatory wreath-laying on the last Monday in May.

Memorial Day, and its cousin Veterans Day, should be about separating the warrior from the war(s) they fought, and recognizing sacrifice, service, and valor. If only it were that easy, as how we remember those who served necessarily involves how we as a country define our own history. These definitions can, and do, change over time.

One highly emotionally charged aspect surrounds individual and unit achievement during war, achievements that are recognized with medals, and more broadly by the media and society as whole with fame and honor, for their great deeds.

Nations at war need heroes. They necessarily engage in some myth-making and propaganda. How do we, in later generations, respond to these wartime claims and awards? What is the line between taking a thorough look at wartime actions and trivializing the valor of those who served and died?

For fighter pilots, success, and fame, often is measured by the quantity of enemy planes shot down. For submarine commanders and crews, it's the quantity of ships and tonnage sunk. The very nature of air and submarine warfare often makes it difficult, if not impossible, for crews to accurately assess their own success. It's difficult to determine precisely the size of a ship a submariner is firing a torpedo at via a periscope, especially at night.

What's proven especially sensitive has been the use of enemy documents to get a better handle on what happened. Dan Ford's book from a few years back, *Flying Tigers: Claire Chennault and His American Volunteers*, on the American Volunteer Group in China has proven to be controversial exactly because it used surviving Japanese

records that showed the Flying Tigers, though still successful, shot down only half as many planes as Chennault and his pilots claimed.

Technology has brought some back issues to the forefront as well. Improved sonar and diving equipment makes it easier to find missing submarines. Among those recently found is the *USS Wahoo*, sunk with all of its crew in the Sea of Japan on Oct. 13, 1943. *Wahoo's* commanding officer, Dudley W. "Mush" Morton, was one of the top U.S. submarine captains in World War II. Morton sank more than 50,000 tons of shipping and was awarded the Navy Cross four times as well as the Distin-

guished Service Cross. He's also accused of having the survivors of a Japanese ship he sank machine gunned in the water.

How do we remember Morton — as a war hero, a war criminal, a man doing what he felt was necessary, or some combination thereof? Or does "true" remembrance necessarily reject the possibility that an American can commit a war crime?

Exactly how effective were the Flying Tigers, and by extension the pilots?

More broadly, the United States still struggles with how to define its involvement in Vietnam.

About 60,000 American servicemen died in Vietnam. But can valor and honorable service exist in defeat? The answer within American society during and immediately after the Vietnam War was often "no."

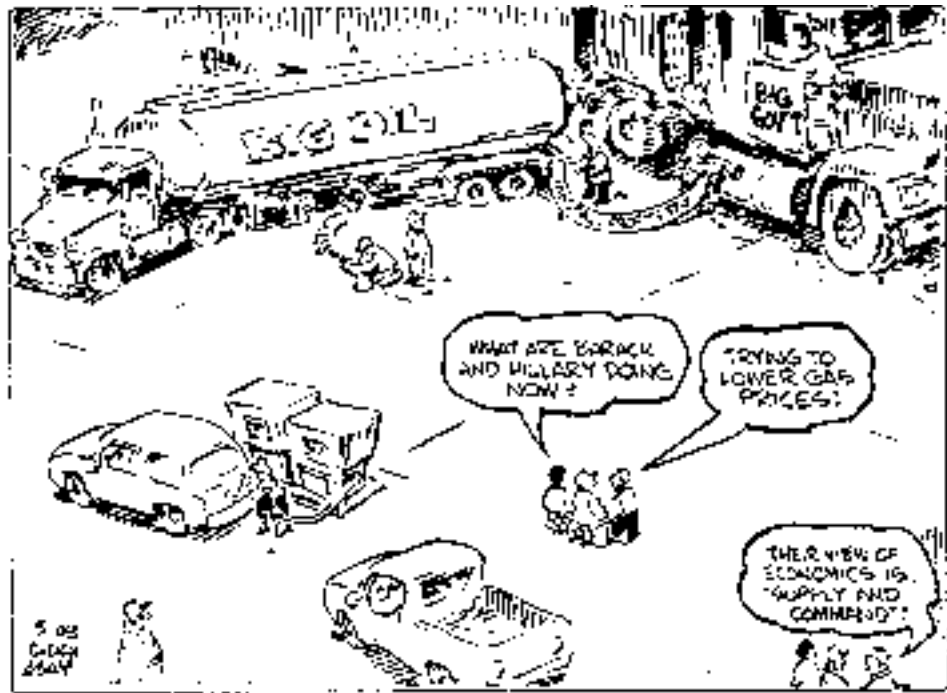
Returning soldiers were called "baby killers," and combat service wasn't required to earn the label, while the members of patriotic and veterans organizations often regarded those who served in Vietnam as "losers."

Have we as a society progressed beyond that? How the candidacy of John McCain, a Navy pilot who was shot down, taken prisoner, and tortured by the North Vietnamese, is perceived will say a lot. CJ

Michael Lowrey is an associate editor of Carolina Journal.



Michael Lowrey



Editorial

A School-Standards Shell Game

It looks like to me there's a little bit of a shell game going on in this."

The recent comment by Senate Majority Leader Tony Rand, D-Cumberland, could have applied to any number of issues at the General Assembly: the lottery vote, the state budget, slush funds for legislative leaders.

But Rand actually uttered those words during a meeting on North Carolina's public school standards. Rand and colleagues listened intently as the head of a Washington-based group, The Education Trust, criticized N.C. leaders for setting the state's academic bar too low.

It's easy to see the problem, if you compare scores on North Carolina's standardized tests with scores on the National Assessment of Educational Progress, a test also dubbed "the nation's report card."

"You're telling 85 percent of parents in North Carolina that their kids are doing fine in fourth-grade reading — they're proficient," Education Trust President Kati Haycock told lawmakers. "But when those same children take the national test, only 29 percent of them are scoring at least proficient. So you're telling a whole lot of parents whose kids aren't doing so well on the national test that they're actually doing just fine."

North Carolina is not alone. Other states inflate their students' ability to master public school lessons. But North Carolina earns some of the lowest marks, Haycock said. "North Carolina's standard is not the lowest, but it's pretty darn close."

Haycock traces the problem to the earliest days of North Carolina's efforts to use standardized test scores to help boost public school accountability. In the 1990s, state lawmakers backed a program that set benchmarks for student performance. At the time, N.C.

leaders set artificially low benchmarks, a "stretch-but-not-break standard," Haycock said.

"They looked at where their kids were, set a standard that was significantly higher than that, but not so high that it would create pandemonium in the system," she said. That's a smart approach, Haycock said, only if the state continues to "ratchet up" the standards. "Otherwise, you don't have the pulling power of higher standards."

Lax standards have influenced student test scores in recent years, Haycock said. Major gains in the 1990s have been followed by flatter progress in this decade, she said. The decision to stick with low standards has real consequences.

"Are we telling parents their kids are on track, they're doing fine, when the fact of the matter is that's not related to ... a 'real-world' standard of what those kids need to know and be able to do when they go out in the world after high school?" she asked.

Lawmakers could force the State Board of Education to raise standards. But a response to Haycock's presentation by Sen. Jean Preston, R-Carteret, offers a clue about the reason the legislature has avoided taking that step.

"If we raised our standards, then a lot of the schools would not be 'schools of distinction' or 'schools of excellence,'" Preston said. "Then the teachers and whoever else in the school would get less money. So I think there's a real correlation between our low standards and teacher salaries and bonuses."

There's the tradeoff: Raise standards and anger the public school establishment, or keep the same low standards and fail students and parents.

If legislators take no action this year, Rand's comment about a "shell game" is right on target. CJ

End Front-End Regulation

Evidence shows punishing bad actors after the fact more efficient

One of the most common and damaging state restrictions on individual liberty has few champions among those who profess to be “civil libertarians.” We’re talking about occupational licensing.

With its unsavory origins as a corrupt protection racket for business and labor interests, particularly aimed at blacks during the Jim Crow era, restrictive licensing laws ought to be junked as archaic, unfair, and counter-productive.

University of Minnesota economist Morris Kleiner is the author of a key academic study of occupational licensing published in 2006. In a recent interview, Kleiner summarized his findings on the “consumer-protection” argument.

“Occupational licensing has either no impact or even a negative impact on the quality of services provided to customers by members of the regulated occupation,” he said. Licensing laws are passed to increase the incomes and profits of “regulated” professions and industries, he said, both through squashing competition and giving consumers the (unwarranted) impression that quality has been enhanced, thus stimulating

demand.

In the most-recent edition of *The Cato Journal*, David Skarbeck from the George Mason University economics department looked at the case of Florida after the destruction of Hurricanes Frances and Katrina. In order to speed recovery, the state government lifted restrictions on roofing contractors, allowing greater entry into the market for repair and rebuilding services.

Given the desperation that some property owners feel after storm damage, some might think that occupational licensing would be a particularly valuable protection for consumers in the aftermath of hurricanes, but Skarbeck found no significant evidence for such an effect by examining data on initiated and substantiated complaints against contractors.

The argument against occupational licensing is not that government has no proper role policing fraud. It assumes that regulation at the front end is the most efficient means of deterring predatory behavior. But the best-available evidence suggests that punishing bad actors after the fact works just as well to deter fraud. CJ

Unwise Energy Tax Breaks

Subsidies to ineffectual ‘green’ energy options is a waste

No government should give special tax breaks or subsidies to oil and coal companies. Can we all agree on that?

Good. Now, let’s get real. Tax breaks and subsidies for the energy mainstays of our economy are unwise. But they don’t get anywhere close to an explanation of why oil is the primary driver of transportation, and coal is the primary driver of electricity generation. For that, the best resource is to study the physics and economics of power generation.

A good reason to discount the “government favoritism” explanation for our current energy mix is that alternative energy is vastly more subsidized per unit of output. As *The Wall Street Journal* observed in a recent editorial, a report from the U.S. Energy Information Administration estimated that tax breaks and subsidies for traditional coal technology amounted to about 44 cents per megawatt hour of power produced. The subsidy per megawatt hour of natural gas was even lower, 25 cents. And that taxpayer-sheltered, wildly expensive option of nuclear power has us on the hook for \$1.59 per megawatt hour.

How about so-called renewables? They are major-league rip-offs of the taxpayers. Solar energy receives a subsidy of \$24 per hour. Wind is slightly less

abusive at \$23. “Clean coal” technology is even more abusive at \$30.

It would be one thing if alternative-energy advocates could reasonably argue that the higher costs — in taxes and power bills — would be exceeded by the benefits of foregone global warming. But they can’t. The best-available scientific judgment is that substituting these options in North Carolina, or the U.S. as a whole, or even the entire industrialized world, would have such a small effect on the global climate over the next century as to be scarcely measurable. Unfortunately, the real-world costs for North Carolina families would be so large as to be unmistakable — tens of thousands of jobs lost and significant reductions in the average standard of living.

Using the alarmists’ own climate models, the only real way to make a dent in average temperatures over time would be to reduce CO₂ emissions radically, by 80 percent over the next 40 years. You can’t get there with solar, wind, and fluorescent lights. You might get there with nuclear if there is some kind of monumental technological breakthrough. Save that, you’d have to return to the lifestyles of the 19th century.

Good luck with that. We doubt the general public will support that approach. They think energy prices are high enough already. CJ

Commentary

Look to South Carolina

North Carolina continues to be a laughingstock in national education-reform circles — a fact that would come as a surprise to the many North Carolina politicians, journalists, and activists who live in blissful ignorance of reality.

As I have frequently noted, the state’s Blarney Tradition is one of the most debilitating impediments to our progress. Essentially, the state’s political class believes its own B.S.

Education is a prime example. Former Gov. Jim Hunt probably deserves some credit for the true educational progress North Carolina experienced, though only for policies adopted in his first two terms (1977-1984). According to independent national tests, North Carolina’s public schools posted significant achievement gains from the late 1980s to the mid-1990s. There are several potential explanations for the trend, but perhaps some elements of Hunt’s 1980s-era Basic Education Program played a role, as did policies enacted during the tenure of his successor, Gov. Jim Martin.

By the end of that period, however, Hunt was back in office and collaborating with state lawmakers to enact a panoply of expensive new education programs such as Smart Start, the ABCs program, class-size reductions, and big teacher pay raises. Because Hunt was well-connected among national teacher unions and left-wing foundations, these policies got a huge amount of laudatory national attention. Unfortunately, they appear to have had no measurable effects on student achievement in North Carolina. Test scores are largely flat or worse since their implementation. Graduation rates remain awful. And other states, most notably South Carolina, have posted far more impressive performances since the mid-1990s.

To the extent that this was all a colossal waste of time and money, it certainly didn’t make North Carolina look wise or innovative. But that’s not what led to the national embarrassment I

mentioned earlier.

The shameful part of the story has to do with North Carolina’s pattern of manipulating academic standards and measurements. Several years ago, our state gained national infamy by concocting a grossly exaggerated “graduation rate” in a blatant attempt to mislead federal officials and the public. More recently, a series of studies has shown that North Carolina sets some of the lowest achievement standards in the United States.

The touchstone of academic testing is the National Assessment of Educational Progress (NAEP). In addition to yielding average scale scores in basic subjects,

NAEP assigns students to one of four groups according to their demonstrated knowledge: Advanced, Proficient, Basic, and Below Basic. Most analysts zero in on proficiency as the best goal to track

over time. The NAEP standard for Proficient is similar to the proficiency standards used in international testing. It lies between the exemplary performance one might expect of the most

advanced students in any country and the subpar performance that indicates a student has some basic knowledge or skills but cannot demonstrate consistent mastery of them.

Scholars Paul Peterson and Frederick Hess are editors of the journal *EducationNext*. They’ve just released their latest study of state vs. federal proficiency standards. There is only one straight-A performer on the list: South Carolina. Our neighbors to the south haven’t dumbed down their standards one bit in order to make themselves look better. As for North Carolina, we get a D+. We’re among a small minority of states getting Ds or Fs.

The Raleigh establishment should face facts: North Carolina has little to teach the rest of the country about enacting good education policy. South Carolina does. CJ



John Hood

Our neighbors to the south haven’t dumbed down their standards one bit in order to make themselves look better.

John Hood is president of the John Locke Foundation.

Editorial Briefs

The Great Moderation

In recent decades, as foreign trade and investment have been rising as a share of the U.S. economy, recessions have actually become milder and less frequent, says Daniel Griswold, director for the Center for Trade Policy Studies at the Cato Institute. The softening of the business cycle has become so striking that economists now refer to it as The Great Moderation. The more benign trend appears to date from the mid-1980s.

A recent study by the Federal Reserve Bank of Dallas found that on average, the five recessions from 1959 to 1983 were 47 months apart, lingered 12 months, and were associated with a 2.17 percent peak-to-trough decline in real gross domestic product. By contrast, the 1990 downturn came after 92 months of expansion, lasted eight months, and involved a 1.26 percent decline in gross domestic product. The 2001 slump ended a record 120 months of uninterrupted growth, lasted eight months, and involved a GDP decline of only 0.35 percent.

More generally, quarterly growth in both real GDP and jobs became markedly less volatile after 1983.

The Great Moderation means that Americans are spending more of their time earning a living in a growing economy and less in a contracting economy. According to the National Bureau of Economic Research, the economy has been in recession a total of 16 months in the past 25 years, or 5.3 percent of the time. In comparison, between 1945 and 1983, the nation suffered through nine recessions totaling 96 months, or 21.1 percent of that period.

Wrong number

Despite protests from businesses, organized labor, and immigrant-rights groups, the Department of Homeland Security is pressing ahead with a controversial rule to use Social Security records to enforce immigration laws, Lisa Caruso writes in *National Journal*.

Since 1994, the Social Security Administration has sent "no-match" letters to most employers if the name and Social Security number on a worker's W-2 form do not agree with the agency's records. The letter asks the employer to correct the discrepancy within 60 days so Social Security can properly credit a worker's earnings. There are no penalties if an employer does not respond.

Homeland Security wants to send employers its own letter giving them 90 days to correct the problem or to fire the worker. Employers are subject to civil fines of as much as \$16,000 per worker for knowingly employing illegal immigrants, and those who make a practice of it face criminal charges that carry a maximum prison term of five years.

Social Security's inspector general found that discrepancies in about 17.8 million, or 4 percent, of the 435 million records in the agency's database could result in mismatches. More than 70 percent of discrepancies, or 12.7 million people, involve native-born U.S. citizens.

The DHS's own estimates suggest that as many as 70,000 legal workers could lose their jobs because of the rule. CJ



Will N.C. Do Better This Time Around?

Recessions have not been kind to North Carolina. Traditionally, the state has suffered more during economic downturns than other states. For example, during the last recession of 2001, North Carolina's jobless rate was the fourth highest among all states.

An increasing number of economists now think the country is in a recession. If true, then the question becomes how hard North Carolina will be hit. Will the state repeat its unfortunate experiences of the past with a worse unemployment rate and a greater drop in commerce than other parts of the country? Or will the state break with the patterns of the past and be a place that outperforms other regions?

Recent numbers certainly suggest the state's economic engine has slowed. The jobless rate is up more than one-half percentage point in the past year. Total jobs in the state fell in April. State tax revenues are showing signs of weakening.

But these conditions prevail just about everywhere. National recessions hit most states. So the more relevant question is how North Carolina is performing compared to the rest of the nation. Here the news, so far, is encouraging.

Let's begin with the housing market, which is the sector that has led the economy into the current slowdown. The market has been hit by big drops in construction, reductions in prices in some areas, and a jump in foreclosures.

Last year, housing construction plunged by 23 percent nationwide, and this year building activity is on pace to be off 33 percent. In 2007 residential construction in North Carolina was down 17 percent, and this year it's trending toward a 26 percent reduction. House prices have also held up better, actually rising slightly in our state last year, while remaining flat in the nation.

What about foreclosures, perhaps the ultimate casualty of the housing bust? Once again, the numbers have been better in North Carolina. While foreclosures were up in 2007, North Carolina's

foreclosure rate was 30 percent lower than in the nation.

Now let's turn to jobs, which is the market where most people gauge the strength of the economy. Statewide unemployment rose in the past year, but at a rate slightly slower than in the nation. Part of the reason comes from a surprising source — manufacturing. In the last three years of available data (2004-2006), the production from North Carolina's factories was actually up, and the gain was almost 50 percent faster than in the nation.

North Carolina manufacturing jobs were down in the past year, but a big part of the reason was continuing improvements in worker productivity, which allowed factory workers to produce more output than their predecessors.

There was some good news even for the textile and apparel industries, which have been the sectors most devastated by job cuts in the last three decades. Job losses in these traditional sectors were running two-thirds slower than during the 2001 economic pullback. While the bleeding continued, the losses narrowed.

What about what people are paid? Again, North Carolinians can smile. In the last two years, gains in worker earnings have run faster in North Carolina than in the rest of the country.

None of these statistics should suggest all is well, economically speaking, in North Carolina. There are still problems in the housing industry, and more people are losing their homes. Unemployment is up, and companies are tentative about hiring.

Unfortunately, these conditions go with the territory of a recession. The good news is that, so far, North Carolina appears to be doing better, relatively speaking, with these conditions than the rest of the nation. Hopefully, this will last. CJ

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



Michael
Walden

Decisions of Legislators Tell Much About Their Priorities

With the General Assembly in Raleigh for the 2008 short session, the people's business is once again under way.

The legislature's 170 members are busy making adjustments to the 2007-09 budget and considering legislation that passed one chamber but not both, recommendations from study committees, and non-controversial local bills. There are rules regulating bills legislators can consider, but if the past is any indication, the majority party will bend the rules to accomplish what they want and use the rules to prohibit the minority party from doing much of anything.

Gov. Mike Easley proposed a \$21.5 billion budget and passed it to the House for its version, which will then go to the Senate for senators' modifications. Then a conference committee comprised of senators and representatives, who voted for their respective budgets, will emerge, with a "compromise" budget that all the Democrats will vote for, but that most Republicans won't.

Because there are more Democrats than Republicans, the final budget will pass and the governor will sign it into law. For another two weeks, the legislators will finish up



Becki Gray

business, adjourn, and go back to their districts to sit for re-election for two-year terms beginning in January 2009.

So the question for the rest of the summer is what will they do and how will North Carolina be affected by decisions they make. Always a deciding factor is how much revenue is available to spend. Despite the governor's suggestion to raise taxes on alcohol and cigarettes, legislative leaders have promised no tax increases. A surplus of \$151.5 million, which is less than in previous years, will be spent quickly.

Each percentage of pay increase for teachers and state employees costs \$114 million. Easley proposed a 7 percent average pay increase for teachers, and as a parting shot at state employees, who endorsed his opponent in his last election, offered them a 1.5 percent increase. Expect both teachers and state employees, who at 240,000, comprise a large voting bloc, to get a pay increase of about 3 percent.

There is a mental health crisis in North Carolina. In efforts to meet patients needs, they were moved out of mental hospitals and into communities, where due to poor planning, services were not fully in place. As you'd expect, problems have surfaced. The programs have been rife with

Despite the governor's suggestion to raise taxes on alcohol and cigarettes, legislative leaders have promised no tax increases.

waste, fraud, and mismanagement. *The News and Observer* of Raleigh reported that over \$400 million has been wasted. The federal government has withheld \$175 million because of concerns with misspending.

Amazingly, the Mental Health agency is requesting more than \$60 million in additional funding. A new director has been hired and substantive reform has been promised.

Little has been proposed to rescue the failing education system. Easley allocated big money to his pet projects. He proposed salary increases for teachers while cutting incentive pay to science and math teachers. Last year dropout prevention grants totaling \$7 million went to many school districts with lower dropout rates and for programs such as step-dance classes and life coaches. Millions more dollars are requested for more of these grants while alternatives such as vocational high schools are ignored. Options for students like more charter schools and tax credits to offer choice in education are again ignored.

Roads and bridges continue to deteriorate and congestion worsens across the state. Transportation funding has actually decreased by \$1.6 billion over the last four years,

in addition to the \$172 million annual transfer out of the Highway Trust Fund. In a \$21.5 billion budget, officials can't find enough money to address transportation issues. So there is a strong probability of a \$1.25 billion to \$2 billion bond. Bonds, subject to voter approval, are also subject to lower interest payments than other public financing options such as certificates of participation or tax increment financing. Of concern with any transportation bond is what it is funding. Road and bridge construction and maintenance, and congestion relief are good expenditures of transportation money. Rail, bike paths, and ferries probably are not.

There are critical issues facing our state. The criminal justice system, long ignored, needs attention to ensure public safety. Property owners need an eminent domain constitutional amendment, a moratorium on forced annexation, and a close examination of water restrictions. Energy initiatives should be balanced between potential benefit and cost. Government spending should be open, transparent and accessible to those footing the bill.

Legislators will consider many issues during the short session. Decisions they make will tell us a lot about their priorities, values, and if liberty and personal freedom are important or whether more government is their answer. CJ

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

Making the Case for an Early N.C. Primary

First and foremost, I believe that North Carolina's active participation in the recent presidential primary was good for the electoral process and good for North Carolina.

For far too long North Carolina has been ignored by the presidential campaigns and the national media, because of the late date of our primary. But because the stakes were so high in the Democratic presidential contest, all eyes were focused on North Carolina.

National as well as local coverage blanketed all facets of the media. Coverage and buzz motivated more citizens to go the polls. Voter turnout across the state ranged from 20 percent to almost 60 percent.

The average voter turnout for the entire state was 36 percent, up from a dismal 16 percent in 2004.

Democrats, as well as Republicans, responded to what was an ener-



Marc Rotterman

gized contest by Sens. Barack Obama and Hillary Clinton. The enthusiasm spilled over to the gubernatorial races in both parties as well as the local ballot races and the races for Congress.

The enthusiasm was good for democracy.

It also put more emphasis on the problems and challenges that confront the average family in our state. In turn, politicians must speak in settings that are not just 30-second commercials or 10-second sound bites designed for the 6 o'clock news.

The candidates were forced to get in front of folks, answer questions, and talk about their philosophy of governance.

They had to engage in the give and take of politics, and in the end it sharpened the candidates and gave voters a better assessment of where the politicians stood.

Obviously, North Carolina was big-time player in the outcome of the Democratic presidential nomination.

Republicans should have the opportunity to be kingmakers as well. Both the presidential and state primaries should be combined and conduct-

ed on the same day.

That would eliminate duplicative costs, which have been one of the impediments that opponents of an early presidential primary have expressed. It also would shorten the primary season for all other candidates involved in the process: both state and federal.

A late-May primary has essentially been an incumbent protection plan. An early primary gives a challenger more of an opportunity to campaign in the general election, build an organization, and compete for funds.

It would create more competition and consequently discourage candidates from building a career on politics.

On the revenue side, moving the primary up is good for business. It generates revenue for the hotel, restaurant, and broadcast industries.

It was time that North Carolinians finally had a say in the nomination process for the presidency of the United States. CJ

Marc Rotterman is a senior fellow of the John Locke Foundation.

Reader Says No To 'Sin' Taxes

To the editor,

I am so tired of the cigarette, wine, and alcohol products being taxed to death. These products are legal and have been available in our country for some time now.

We must resolve our shortfalls in our budget by spending less, not taxing more.

When will our elected officials understand that we trust them to budget for the state the same way you would for your household? Raising the tax on these products is not the answer.

Linda Coffey
Lenoir, N.C.

Letters
to the
Editor

Highway Patrol Replaces Police Dogs with Yorkies (a CJ parody)

By RUDD WEATHERWAX
CJ Animal Correspondent

The N.C. Highway Patrol, acknowledging that it can't handle its current group of German police dogs without aggressive training techniques, has announced it will switch to Yorkshire terriers.

The Highway Patrol received unwanted publicity recently when a video of a trooper harshly disciplining a police dog appeared in the media.

The type of dog that has traditionally been used, a Patrol spokesman said, requires such disciplinary measures as shocking, kicking, and being suspended by the neck with a leash. Yorkies, however, can be disciplined much easier, the spokesman said.

"We took our big dogs out of service recently," said Patrol spokesman Lt. Everett Clendenin, "because we were afraid one of them might get injured or might injure somebody in the public after these training techniques."

Clendenin said the Patrol's K-9 experts, N.C. Crime Control and Public Safety Secretary Bryan Beatty, and Gov. Mike Easley brainstormed the matter over the Memorial Day weekend after flying to the governor's home on the

coast using the state's jet.

"At first we were concerned that such a small dog, while easy to train and discipline, wouldn't be able to subdue a criminal," Beatty said after the meeting. "But the governor came up with the great idea to replace our 10 police dogs with 100 Yorkshire terriers, and give each K-9 Patrol officer 10 dogs."

So far, the training has gone well, according to Patrol officers.

"About the only discipline they require is a swat on the nose with a rolled-up newspaper when they piddle in the Patrol car," said one officer.

Upon hearing that the Yorkies were being swatted on the nose, members of the Humane Society and People for



Killer, one of the Highway Patrol's new K-9 unit terriers, goes through his paces at the K-9 training facility.

the Ethical Treatment of Animals organized a protest at the Patrol's K-9 training facility.

With signs saying such things as "Yorkies are people, too" and "Keep 'em yapping, no more slapping," the protesters demanded to witness a K-9 training session.

Clendenin said the Patrol no longer had anything to hide and admitted the protesters. "In keeping with our new policy of training transparency, we have no problem with visitors to the training facility," he said.

Apparently, the protesters came away satisfied that the Patrol was not abusing their new dogs. "We didn't see anything that makes us uneasy," said

one protester. "Sure they swat them on the nose with a newspaper to get them potty trained, but you have to understand that with newspapers as small as they are these days, that's not much of a punishment."

Some troopers who had dealt roughly with the old police dogs said that form of discipline was necessary to show the aggressive dogs who is boss so they would unquestioningly obey their handlers when out among the public.

They admitted that, despite their size, the terriers have been quite a challenge.

"Driving around on patrol can be pretty nerve-wracking," said one K-9 trooper. "They just never shut up. Yap, yap, yap all the time. Thank goodness I've got an iPod."

The incessant and irritating barking, though, has been found to be a crime deterrent, resulting in a new program.

"I took my 10 Yorkies to a known drug corner recently and within 10 minutes there was not a soul around," said another trooper. "A whole SWAT team couldn't have cleared that area so quickly. We call it Operation Yap."

Given the success of Operation Yap, Clendenin said the Patrol is thinking about adding chihuahuas. *CJ*

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