

State's
health care
plan still
facing bank-
ruptcy/2



CAROLINA JOURNAL

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

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

June 2011 Vol. 20 No. 6

STATEWIDE EDITION

Check us out online at carolinajournal.com and johnlocke.org

Perdue Snubs Alcoa Jobs Announcement

New recycling plant
in Badin complicates
dam takeover attempt

BY DON CARRINGTON
Executive Editor

BADIN

The launch of a project bringing 200 "green" jobs and a \$10 million investment to an abandoned industrial site in a rural North Carolina county typically would attract a host of state and local luminaries.

And indeed, at a May 23 ceremony in the Stanly County town of Badin announcing that California-based Electronic Recyclers International would open a regional recycling facility to process computers, televisions, cell phones, and other electronic waste, civic leaders took the podium, including U.S. Rep. Larry Kissell, D-8th District; Sen. William Purcell, D-Scotland; Rep. Justin Burr, R-Stanly; Badin Mayor James Harrison; and Stanly County Commission Chairman Josh Morton.

But Gov. Bev Perdue was not present. Nor was her Commerce Secre-



Electronic Recyclers International CEO John Shegerian announces his company will build a regional center at Alcoa's Badin Business Park. (CJ photo by Don Carrington)

tary Keith Crisco, a Stanly County native. Both were invited, and since Perdue took office in 2009, she and Crisco have become regular participants at major job announcement events in North Carolina. Perdue recently completed a statewide "jobs tour," touting her economic development programs.

The top administration officials to attend were two commerce officials who did not participate in the program.

Perdue's presence might have been awkward. ERI came to Badin as a result of recruitment efforts by Alcoa, the Pittsburgh-based aluminum maker. Perdue is leading the state's efforts to take over Alcoa's Yadkin Project, comprising four hydroelectric dams and reservoirs located along a 38-mile section of the Yadkin River. Had Perdue or other top administration officials attended the event, they may have faced uncomfortable questions about the

state's continuing battle against the industrial giant.

Neither the governor's office nor the commerce department has issued a news release announcing the new jobs. Crisco is also a key player in Perdue's efforts to take over Alcoa's facilities.

Perdue's website lists 278 job announcements the governor has made since January 2009, with details on 91

Continued as "Perdue," Page 15

Corruption Charges Stop at Easley and Top Aide

Judge wonders why
no one else charged
in connection with case

BY DON CARRINGTON
Executive Editor

RALEIGH

At the May 17 sentencing of Ruffin Poole, long-time aide to former Gov. Mike Easley, U.S. District Court Judge Terrence Boyle asked prosecutors why the only people charged in their two-year investigation were Poole and Easley.

The judge mentioned several others by name that he felt could have



Former Gov. Mike Easley, right, and aide Ruffin Poole in happier times. (CJ file photo)

been charged with illegalities.

Court documents show that five other prominent individuals were implicated in questionable and potentially illegal financial schemes involving Easley and Poole.

The five are Randy Allen and William G. (Gary) Allen, brothers and real estate developers from Charlotte; D. McQueen Campbell III, a Raleigh real estate developer; Lanny Wilson, a Wilmington attorney and real estate investor; and Douglas A. Fox, a Wilmington attorney and former chairman of the state Alcoholic Beverage Control Commission.

At Poole's sentencing hearing, Boyle referred to the Allens, Campbell, and Wilson by name, and alluded to "others" who were also involved.

In response to his query, federal prosecutor John Bruce said that public corruption cases are more difficult to prosecute since the U. S. Supreme

Continued as "Corruption," Page 14

NONPROFIT ORG.
U.S. POSTAGE
PAID
RALEIGH, NC
PERMIT NO. 1766

The John Locke Foundation
200 W. Morgan St., #200
Raleigh, NC 27601

CAROLINA JOURNAL

Rick Henderson
Managing Editor

Don Carrington
Executive Editor

David N. Bass, Sara Burrows
Anthony Greco, Mitch Kokai
Michael Lowrey
Associate Editors

Jana Benschoter, Kristy Bailey
Kristen Blair, Roy Cordato
Becki Gray, Sam A. Hieb
Lindalyn Kakadelis, George Leef
Karen McMahan, Donna Martinez
Karen Palasek, Marc Rotterman
Michael Sanera, George Stephens
Jeff Taylor, Michael Walden
Karen Welsh, Hal Young
John Calvin Young
Contributors

Adam Barrett, Nicole Fisher
Tony Hennon, Zryi Mai
Jonathan Martin, Erin McBrayer
Landon Nobles, Daniel Simpson
Kristen Szafranski, Alissa Whately
Interns

Published by
The John Locke Foundation
200 W. Morgan St., # 200
Raleigh, N.C. 27601
(919) 828-3876 • Fax: 821-5117
www.JohnLocke.org

Jon Ham
Vice President & Publisher

John Hood
Chairman & President

Bruce Babcock, Herb Berkowitz
Charlie Carter, Jim Fulghum
Chuck Fuller, Bill Graham
Robert Luddy, Assad Meymandi
Baker A. Mitchell Jr., Carl Mumpower,
J. Arthur Pope, Thomas A. Roberg,
David Stover, J.M Bryan Taylor,
Andy Wells
Board of Directors

Carolina Journal is a monthly journal of news, analysis, and commentary on state and local government and public policy issues in North Carolina.

©2011 by The John Locke Foundation Inc. All opinions expressed in bylined articles are those of the authors and do not necessarily reflect the views of the editors of CJ or the staff and board of the John Locke Foundation. Material published herein may be reprinted as long as appropriate credit is given. Submissions and letters are welcome and should be directed to the editor.

CJ readers wanting more information between monthly issues can call 919-828-3876 and ask for Carolina Journal Weekly Report, delivered each weekend by e-mail, or visit CarolinaJournal.com for news, links, and exclusive content updated each weekday. Those interested in education, higher education, or local government should also ask to receive weekly e-letters covering these issues.

State Health Care Plan Still Facing Bankruptcy

By SARA BURROWS
Associate Editor

North Carolina state employees soon will have to pitch in a bit more for their health insurance, but that won't be enough to save the State Health Plan For Teachers and State Employees from insolvency, says one budget expert.

In an effort to salvage the program, which faces a \$30 billion unfunded liability, Senate Republicans in March introduced Senate Bill 265, putting the state health plan under the control of the state treasurer and requiring state employees to pay a monthly premium for health insurance. Gov. Bev Perdue vetoed the bill, calling it a pay cut for teachers and other state employees. Republicans then introduced and passed two other bills, House Bill 578 and Senate Bill 323, adding the premiums but delaying them for a year or two. Perdue agreed to sign the bill.

Federal program temptations

Even that fix would be temporary, as the \$30 billion shortfall must be accounted for. State policymakers may be tempted to dump the State Health Plan entirely if the federal health care reforms known as ObamaCare are implemented fully. Doing so would reduce the state's immediate obligation to employees by more than \$1,000 per worker annually. And if the health plan disappeared, its unfunded liability would vanish as well.

The overall cost of covering state workers would not diminish — indeed, it could expand. But the funding would be spread among all federal taxpayers, hiding some of the cost to North Carolinians.

The delayed premium became possible because state employees used about \$7 million less in health care services than expected last year. Republican lawmakers and the governor agreed to use the savings to cover the full cost of premiums for basic insurance plans through July 2013, or until the money runs out. After that, state employees choosing basic health insurance will contribute about \$10 a month. Employees choosing the premium coverage plan will contribute about \$20 a month immediately.

No time for delay

Instead of using the \$7 million as a short-term patch, lawmakers should have applied it to the health plan's \$30 billion unfunded liability, said Joe Coletti, director of health and fiscal policy studies for the John Locke Foundation.

The \$7 million might seem like a drop in the bucket, Coletti said, but they have to start somewhere.

"It's like saving for retirement. The sooner you start — even if it's just a couple of dollars here and a couple of dollars there — through the magic of compound interest that accrues to a lot," Coletti said.

Premiums ahead?

"Everybody agrees state employees are going to have to start paying premiums eventually," Coletti added. "The governor's argument is 'let's just delay it as long as possible.' And if she can put it off until after the 2012 election, she's accomplished her goal."

Although there was a small amount of savings this year, there was a \$500 million deficit just a year before that, Coletti said.

"Medical expenses are really hard to gauge year to year," he said. "So they might have saved a little this year and be in the hole again next year."

Republican Senate leader Phil Berger agrees. He

would have preferred saving the money rather spending it, but "sometimes when you're dealing in the political realm, what you have to deal with is what you are able to accomplish, not with what you want to accomplish," he said.

"Unfortunately, the governor wouldn't sign a bill that had that kind of provision," Berger said. "We were unable to pass a bill with sufficient majorities to override a veto."

The fact that state employees eventually will be required to pay a portion of their health coverage is a "huge step in the right direction," Berger said.

Temporary fix

Having state employees pay monthly premiums, higher deductibles, and higher co-pays for prescription drugs are all steps in the right direction, Coletti said, but they are Band-Aids on a gaping wound.

Without changing the entire structure of how insurance works, the State Health Plan is doomed, he said. It should allow for health savings accounts or health reimbursement arrangements allowing state employees to shop for insurance of their choice.

Berger said those are great ideas, but the federal health law limited what changes state lawmakers could make. The

State Health Plan currently is exempt from the new mandates set forth in ObamaCare, he said. But any drastic changes would cause the plan to lose its grandfathered status, subjecting it to new federal requirements. The cost of meeting those requirements could outweigh any savings from structural changes to the plan.

"The fact that we were constrained in that way prevented us from having a full discussion

about what those broader changes might be," Berger said.

Coletti also praised lawmakers' decision to turn over management of the health plan to the state treasurer's office, saying that she was trained and equipped better than the General Assembly to sort out the plan's budget and that her decisions might be less politically driven.

"But given the structural impediments to the state health plan, it really doesn't matter who's in charge of it," he said.

Long-term 'solution'

With little leeway to fix the health plan's financial troubles, Coletti said the state simply could choose not to insure its employees when ObamaCare fully takes effect. It would have to pay a \$2,000 penalty per employee per year for doing so, but that's small potatoes compared to the \$6,000 per employee per year the state now spends on health coverage.

State employees then would have to purchase insurance from a health insurance exchange, a pool of federally approved health insurance policies.

Most state employees — those making less than \$80,000 for a family of four — would receive a \$2,000 annual federal subsidy for purchasing insurance from the exchange.

Coletti figures that federal subsidy, plus a \$2,500 salary increase, should be enough for state employees to purchase their own health insurance. This would leave the state spending about \$4,500 per employee per year on health care, significantly less than the \$6,000 it spends now.

Tennessee ran the numbers last year and decided the state could make money off the deal, Coletti said. Many states likely will follow suit.

Dumping state employees into a federally subsidized insurance program might sound good to state taxpayers, but that move simply would offload the cost to federal taxpayers — in other words, everyone.

In the meantime, Coletti expects the bills will keep the State Health Plan afloat for a few more years. CJ



2011 NCGA Scorecard: The Good, the Bad, and the Incomplete

BY DAVID N. BASS
Associate Editor

RALEIGH

Divided government in the state's capital has led to plenty of debate but few major bills becoming law as the General Assembly opened its fifth month of the 2011 session.

Some of that is due to Gov. Bev Perdue's veto pen. The first-term Democrat has vetoed five bills, including high-profile legislation exempting North Carolinians from federal health care mandates. In each instance, House Republicans initially have failed to collect enough Democratic support to overcome the veto.

An exception to that came in late April, when GOP leaders and Perdue worked out a deal on a bill rescuing the State Health Plan, which faced a \$515 million deficit. In April, Perdue vetoed Senate Bill 265, a measure forcing state employees for the first time to pay modest premiums for health insurance and boosting deductibles and co-payments. The bill also would have shifted governance of the State Health Plan from the General Assembly to the state treasurer.

The General Assembly then found that the health plan had spent \$7 million less on benefits than expected and sent a compromise measure to Perdue. It would allow workers carrying basic coverage to pay no premiums while those with more costly policies would pay \$20 a month. Perdue had not signed the bill at press time but had said she would.

On the other side of the coin, Perdue has signed several less controversial bills into law, among them a measure to recognize a separate, unborn victim in the event of a violent attack on a pregnant woman, which passed



The 2011 General Assembly has seen the effects of divided government in the past five months. (CJ file photo)

both chambers by veto-proof margins.

Another bill signed by Perdue blocks future votes on local land-transfer taxes that are wildly unpopular with voters, and a third suspends a plastic-bag ban in certain coastal communities.

David McLennan, a political science professor at Peace College in Raleigh, said it's too early to gauge whether voters are more satisfied with Republicans in the legislature or their Democratic foes. He said the public's approval, or lack thereof, would boil down to the budget.

"As we see that play out in the next month, that will be a stronger indication of how the session is going to be perceived by voters," McLennan said.

Many times, Republicans have moved bills out of one chamber but left them dormant, so far, in the other. In other instances, both chambers passed differing versions of the same

bill, requiring a conference committee to work out the kinks.

Two prominent bills remain in conference. The first would reform North Carolina's charter school law, and the second would overhaul medical liability laws in the state.

"So much of what is going to be written and said and thought about the General Assembly this year is still left [to be seen]," McLennan said. "The budget is the driver of all these other things."

Major bills passed by one chamber but not the other

- House Bill 61, Speaker/Pro Tem Term Limits: Passed the House, 72-46, April 7. Assigned to the Senate Judiciary I Committee.

- House Bill 8>, Eminent Domain: Passed House, 98-18, April 28. Assigned to the Senate Judiciary I Committee.

- House Bill 422, Federal Rail Money/Report, Consult, Approve.: Passed the House, 65-48, April 28. Assigned to the Senate Transportation Committee.

- House Bill 546, Alternative Salary Plans/Charlotte-Meck.sch.: Passed the House, 72-42, April 28. Assigned to the Senate Rules Committee.

- Senate Bill 34, The Castle Doctrine: Passed the Senate, 35-13, February 28. Assigned to the House Judiciary Committee.

- House Bill 111, Handgun Permit Valid in Parks & Restaurants: Passed the House, 74-42, March 30. Assigned to the Senate Judiciary II Committee.

- House Bill 153, No Public Retirement for Convicted Felons: Passed the House, 116-1, April 6. Assigned to the Senate Committee on Pensions & Retirement and Aging.

- House Bill 483, DNA Samples/Additional Felonies: Passed the House, 83-34, May 9. Assigned to the Senate Judiciary I Committee.

- Senate Bill 27, Involuntary Annexation Moratorium: Passed the Senate, 36-12, March 7. Assigned to the

House Rules Committee.

- Senate Bill 709, Energy Jobs Act: Passed the Senate, 38-12, May 10. Assigned to the House Committee on Public Utilities.

Major bills passed by both chambers, in conference committee

- Senate Bill 110, Permit Terminal Groins: Passed the Senate, 41-6, March 14 and the House, 71-46, April 26.

- Senate Bill 33, Medical Liability Reforms: Passed the Senate, 36-13, March 2 and the House, 91-27, April 20.

- Senate Bill 8, No Cap on Number of Charter Schools: Passed the Senate, 33-17, February 24 and the House, 68-51, April 11.

Major bills signed by Perdue

- House Bill 92, Repeal Land Transfer Tax: Passed the House, 76-42, March 7 and the Senate, 40-8, March 21. Signed by Perdue March 31.

- Senate Bill 146, Suspend Plastic Bag Ban/Supply Disruption: Passed the Senate, 47-2, March 16 and the House, 116-0, April 19. Signed by Perdue April 20.

- House Bill 316, Modify NCGA Police Powers: Passed the House, 113-3, March 17 and the Senate, 31-18, April 20. Signed by Perdue May 3.

- Senate Bill 22, APA Rules: Limit Additional Costs: Passed the Senate, 49-1, Feb. 9 and the House, 74-40, March 10. Signed by Perdue March 25.

- Senate Bill 406, Repeal Crossbow Purchase Permit Requirement: Passed the Senate, 50-0, March 30 and the House, 69-48, April 19. Signed by Perdue April 28.

- Senate Bill 464, Debt Reduction Act of 2011: Passed the Senate, 47-2, April 13 and the House, 64-48, April 28. Signed by Perdue May 3.

- House Bill 215, Unborn Victims of Violence Act/Ethen's Law: Passed the House, 75-34, March 24 and the Senate, 45-4, April 14. Signed by Perdue April 29.

Major bills vetoed

- House Bill 383, Extend UI Benefits/Continuing Resolution: Passed the House, 107-8, April 5 and the Senate, 30-17, April 14. Vetoed by Perdue April 16.

- House Bill 2, Protect Health Care Freedom: Passed the House, 66-50, Feb. 2 and the Senate, 30-18, Feb. 16. Vetoed by Perdue March 5.

- Senate Bill 13, Balanced Budget Act of 2011: Passed the Senate, 31-16, Feb. 7 and the House, 66-51, Feb. 10. Vetoed by Perdue Feb. 22.

- House Bill 7, Comm. Colleges/Opt Out of Fed'l Loan Program: Passed the House, 69-47, March 8 and the Senate, 31-18, April 4. Vetoed by Perdue April 13.

CJ

YOUR HOME ON THE WEB FOR NORTH CAROLINA PUBLIC POLICY

Creating your own personal **Key Account** at www.JohnLocke.org is a great starting place for tracking the critical public policy issues facing North Carolina.

Each day, your **Key Account** searches a comprehensive database of JLF reports, briefing papers, news articles, press releases, and events notices to display timely information about the issues of your choice. It's an excellent tool for those drafting legislation, researching policy issues, preparing news stories, planning political or lobbying campaigns, or seeking information with which to be an informed voter and citizen.

Visit www.JohnLocke.org and create your personalized **Key Account** today!

State Briefs

N.C. GOP challenges HCR

Thwarted in their attempt to pass a state law exempting North Carolina residents from the federal health care law's individual mandate, Republicans in the General Assembly have resorted to legal action.

Legislative leaders in May joined Minnesota in filing a friend-of-the-court brief in a 26-state lawsuit challenging the constitutionality of the federal health care law. The case is being heard in the 11th U.S. Circuit Court of Appeals.

House Majority Leader Paul "Skip" Stam, R-Wake, said his colleagues were looking for a constitutional argument that no other state had made. Their final decision: Contend that ObamaCare is unconstitutional because the impact of its Medicaid mandates on state budgets is too vague.

The development came two months after Gov. Bev Perdue, a Democrat, vetoed legislation that would allow residents to opt out of ObamaCare's requirement that every American purchase health insurance by 2014 or face penalties.

It also would compel Attorney General Roy Cooper to join the multistate lawsuit.

In early March, the House tried to override Perdue's veto, but the attempt fell four votes short of the needed 72-vote majority.

Rep. Tom Murry, R-Wake, a primary sponsor of the ObamaCare opt-out bill, framed the brief as a pro-jobs move on the part of Republicans.

Defamation suit lives

A defamation lawsuit against Attorney General Roy Cooper will go to trial after the state Court of Appeals refused to intervene in May, reports the Associated Press.

Dan Boyce, a Republican who challenged Cooper, a Democrat, for attorney general filed the suit in November 2000. The point of contention: Cooper's campaign ad accusing Boyce and others of charging exorbitant attorney fees in a lawsuit against the state.

Cooper's lawyers have argued that the suit should be thrown out based on constitutional guarantees of free speech, but Boyce claims the ad was slanderous because he didn't work on the case it referenced, just a companion case.

The legal battle between Cooper and Boyce has droned on for over a decade now, winding its way through a number of courts. The U.S. Supreme Court declined to get involved in 2003. *CJ*

Bills Aim to 'Drive Alcoa Out of the State'

Legislation would up Alcoa's taxes and deny water permit

By SARA BURROWS
Associate Editor

RALEIGH

Officials from Alcoa Power Generating Inc. say it will be tough for the company to stay in business in North Carolina if three bills sponsored by Republican Sens. Fletcher Hartsell and Stan Bingham become law.

One would put the cleanup of Alcoa's closed aluminum plant in Stanly County under stricter scrutiny. Another would impose a new franchise or privilege tax on wholesalers of electricity. A third would make it more difficult to obtain a state water quality permit, a prerequisite to the federal license Alcoa needs to operate its four hydroelectric dams.

Only one of the three bills has Alcoa's name on it, but the other two may as well, as they appear target the company, said Alcoa spokesman Mike Belwood.

"We believe these bills are part of the broader effort by the state to seize our property," Belwood said.

Clean-up

Senate Bill 626 calls for a study on the progress of Alcoa's cleanup of its recently closed aluminum smelter in the Town of Badin, near the company's still-operating hydroelectric dams on the Yadkin River.

The study would evaluate whether the Department of Environment and Natural Resources is doing an adequate job of overseeing the cleanup. Findings would be submitted to the Joint Committee on Program Evaluation Oversight, which Hartsell, of Cabarrus County, co-chairs.

Water quality permit

Senate Bill 628 would deny a water quality permit to an applicant that "intentionally withholds or omits information that is material" to the permitting process.

Alcoa is asking the Federal Energy Regulatory Commission to renew a permit issued in 1958 allowing the company to use and resell energy from its dams on the Yadkin River. The renewal depends on Alcoa getting a water quality permit from the state.

Two years ago, DENR issued a permit based in part on Alcoa's ability to maintain a certain level of oxygen in the water held in each of its four dams. Stanly County did not sign off on the permit and sued the state. Alcoa initially sided with DENR.



The state wants to take over the four hydroelectric dams and reservoirs built by Alcoa to power this aluminum smelting plant in the town of Badin in Stanly County. The plant shut down in 2007, but the dams still generate power. (CJ file photo)

In December, DENR revoked the permit after finding emails between Alcoa engineers expressing doubts about the effectiveness of the technology the company was using to pump oxygen into the water.

Alcoa asked FERC to bypass the state approval process and sued when FERC refused. Alcoa argued the emails were written years ago, when the technology was still being refined. Since then the technology has been enhanced so that Alcoa is meeting or exceeding the EPA standard for dissolved oxygen 99 percent of the time, said Alcoa lawyer and lobbyist Chuck Neely. Alcoa has spent \$13 million so far and plans to spend millions more in order to meet the standard 100 percent of the time, he said.

The state action now sits in the state's Office of Administrative Hearings. Since Alcoa was meeting the standard at the time the permit was issued and has been ever since, DENR would have a tough time prevailing under current law. If Hartsell's bill is passed, it will give DENR a stronger case.

The judge must decide whether Alcoa's internal emails were "material" to the permitting process. "Material" is a heavily litigated term that is particularly hard to define, said Jeanette Doran, senior staff attorney for the North Carolina Institute for Constitutional Law.

The judge will have to consider not only the content of the emails but also when they were written and whether the facts have changed since that time, Doran said.

"The older the email, the less likely it is material," she said.

The word "intentional" will be another tough one to prove in court, Doran said.

'Unfair' tax

Senate Bill 629 would impose a franchise tax of 6 percent on gross receipts of "unregulated utilities."

The bill encompasses all whole-

sale electricity producers and water companies whose gross annual income exceeds \$6 million. It would apply to Alcoa and a handful of other companies in the state.

The tax is nearly twice the amount of the franchise tax imposed on utilities regulated by the North Carolina Utilities Commission and is several times greater than the franchise tax imposed on other business corporations in the state.

Alcoa argues that the only way regulated utility companies like Progress Energy and Duke Energy survive with their 3.22 percent franchise tax is that they are guaranteed a certain rate of return. The Utilities Commission allows the monopolistic retailers to charge higher rates to make up for their higher-than-normal franchise tax.

Wholesalers of energy, whose prices are not set by the Utilities Commission, must sell at market prices and "live or die by their ability to compete," Neely said.

The bill "is anti-business, anti-consumer, and appears devised to punish a company that has been a taxpayer in North Carolina for nearly 100 years," Belwood said.

All three bills appear to be part of the continuing effort to take Alcoa's dams and 38,000 acres of adjacent property and turn them over to the state, Belwood said.

"As we look around the world, our experience has been that governments that seize business assets ultimately stifle investment and do permanent damage to their economies," Belwood said.

In all of its business dealings around the world, Alcoa has faced only one other government takeover of its property — when Venezuelan President Hugo Chavez forcibly seized one of its plants.

At press time, the bills were awaiting committee action. Both Hartsell and Bingham failed to respond to repeated phone calls and emails asking for comment. *CJ*

Parents Ask General Assembly to Legalize Professional Midwives

BY SARA BURROWS
Associate Editor

RALEIGH

Hundreds of mothers and fathers marched on Raleigh May 4 with babies strapped to their backs and toddlers in tow. After making their way through the halls of the General Assembly, they set up picnic blankets and lawn chairs outside, where they sat waving signs that read "Legalize My Midwife," "Liberate Labor," and "Born at Home."

The parents were recognizing the International Day of the Midwife as they petitioned lawmakers to restore what they see as the right to bring their babies into the world naturally, in the privacy and comfort of their homes, with the assistance of a midwife.

Underground tradition

It's a tradition that went underground in North Carolina in 1983, when the state decided to make it illegal to practice midwifery without a nursing degree. While it is not illegal for a woman to deliver a baby at home, it is illegal for a midwife to be present when it happens. Since few doctors make house calls and midwives aren't allowed to, women who refuse to have their babies in hospitals are left with few choices: Go it alone, leave the state, or break the law.

While many medical professionals argue that home births are inherently less safe than hospital deliveries, midwifery could emerge from the shadows if House Bill 522, now awaiting a hearing in the House Health and Human Services Committee, becomes law.

An estimated 600 women have their babies at home in North Carolina each year, while another 300 cross state lines to find midwifery services, said Russ Fawcett, a board member of North Carolina Friends of Midwives.

Similar legislation has been proposed for more than a decade, but the debate gained immediacy this year after the recent arrest of a popular midwife.

A 'calling'

Amy Medwin is a certified professional midwife, with a license to practice midwifery in Virginia, but not in her hometown, just north of Winston-Salem.

Medwin sought out her "calling" as a midwife shortly after giving birth to her first child in a hospital 37 years ago. It was a "terrible" experience, she said. She spent nearly 36 hours in painful labor, which she attributes to "unnecessary" drugs and stress.

Back then, only the mother and other medical professionals typically were allowed in the delivery room. Medwin had to fight to have her mother in the room with her.

Shortly afterward, Medwin attended her first home birth, as an apprentice to a trained midwife. "It was so triumphant," she said. "Here she was in her own bed. Nobody took her baby away from her. Her breastfeeding was never interrupted. The baby was never removed from the loving arms of its parents."

Medwin has helped deliver more than 1,000 healthy babies over the last 30 years. She never has had one complaint. Her clients call her a "miracle worker." But Medwin cannot raise babies from the dead.

In February, a baby was stillborn. Medwin was not present for the delivery, nor was she the mother's primary caregiver, but she had tended to the woman — a close family friend — at times during her pregnancy.

At 8 one morning, the pregnant mother went into labor. Within 45 minutes, the baby was deliv-



Mothers show their home-born babies to midwife Amy Medwin (wearing sunglasses) at a May 4 rally outside the General Assembly supporting a bill legalizing midwifery. (CJ photo by Sara Burrows)

ered, before the mother had time to go to the hospital and before a midwife arrived. The baby wasn't breathing and had no heartbeat.

The family took the baby to the hospital, Medwin said, where police said she had been negligent because she couldn't prove she'd had prenatal care. Medwin came as a witness to say that the mother did receive prenatal care — just not from a licensed obstetrician — and when police learned Medwin was a midwife, they arrested her.

The family is not pressing charges against Medwin. Still, Medwin faces charges of practicing midwifery without a license.

Ladies in waiting

While Medwin's court case is pending and legislation legalizing midwives hangs in the balance, many of the 30 certified professional midwives in the state have put their practices on hold. The dozen or so who still practice are doing so much more cautiously, fearing they could end up in jail.

Several pregnant women in attendance at the rally in May said Medwin's arrest has put them in a precarious position.

"I am stuck," said one pregnant woman. "I don't know what I'm going to do."

"I could drive out of state," she said, "I could have the baby at home alone," or "I could beg a midwife to help me, but they are taking a huge risk at this point."

The woman said it would have to be one of the three, though, because "going to the hospital is not an option for me."

Fawcett said North Carolina is the most restrictive state in the Southeast when it comes to midwifery services. South Carolina, Virginia, Tennessee, and Florida all license certified professional midwives.

The number of American women choosing to give birth at home is growing. In North Carolina, the home-birth rate increased 32 percent between 2003 and 2006. Of the women who have their babies at home, 60 percent choose to use CPMs, rather than nurse midwives, who are hard to come by and who have a slightly different philosophy about birth. So while demand for CPMs is increasing, supply in North Carolina is decreasing, Fawcett said.

OB/GYN opposition

The North Carolina Obstetrical and Gynecolog-

ical Society opposes the licensure of certified professional midwives.

"When you step out of the hospital or a certified birthing center and go into the home, you're stepping back into the 19th century," said David Barnes, a lobbyist for the association. "You don't have the equipment a modern hospital would have in case something went wrong."

There's no such thing as a low-risk birth until it's over with, Barnes said.

"Something can go bad very quickly — like hemorrhaging — and if you're not within five minutes of a hospital, bad things can happen," he said.

Barnes said obstetricians and gynecologists think the training CPMs receive from the North American Registry of Midwives is inadequate and does not measure up to the training nurse midwives (who mainly work in hospitals) receive. The society does not support home birth whether it's with a CPM or a nurse midwife, Barnes said.

The American College of Obstetricians and Gynecologists reports that planned home births are two to three times more likely to end in fetal mortality than planned hospital births.

Fawcett disputes this statistic, saying infant mortality rates at home and in the hospital are almost identical, while instances of Cesarean sections and other interventions are much lower in the case of planned home births.

"This is not about competition," Barnes said. "This is not about money. It's about their professional opinion about what's safe and what the public policy ought to be."

Parental choice

But home-birth moms and dads maintain that it's not up to physicians to decide what's safest for their babies, but, rather, the parents themselves.

Rep. W.A. "Winkie" Wilkins, D-Person, said choice is the reason he sponsored H.B. 522. Wilkins sat on a midwife licensure study committee in 2008, and he said for him it came down to one question: "If we don't license you, what are you going to do?"

"We're going to keep on doing what we do," the midwives told him.

"So I want to know who and where they are," Wilkins said. CJ

Contributor Hal Young provided additional reporting for this story.

As Government Revenues Sputter, Estate Taxes Make a Return

By KAREN McMAHAN
Contributor

North Carolina's estate tax took a brief hiatus in 2010, the same year that the federal estate tax lapsed temporarily. Along with the return of the federal estate tax in 2011, North Carolina reinstated its estate tax effective January 1.

Federal estate taxes can take up to one-third of a family business or farm's net worth, and state estate taxes exacerbate the tax burden, according to studies by the American Family Business Foundation, a Washington, D.C.-based research and education organization.

45.4 percent

North Carolina's combined federal and state estate tax rate is currently 45.4 percent on estates valued at more than \$5 million. That effective tax rate is similar to those in the other 22 states and the District of Columbia that impose either a separate state estate tax, inheritance tax, or both.

Studies have concluded that states taxing estates experience lower job and economic growth the longer the tax remains in effect and the higher the rate. As the economy here and across the nation continues to languish, the resumption of the estate tax may serve as an additional drag on the recovery.

A Connecticut Department of Revenue study found that "states without estate taxes produced twice as many new jobs and their economies grew nearly 50 percent more from 2004 to 2007 than states with such taxes." Many business owners and investors simply move to states without an es-

tate tax, taking jobs and tax revenues with them. Between 1991 and 2009, Rhode Island lost \$1 billion in capital because of its estate tax, according to a 2011 report based on IRS migration data.

Supporters of the tax argue that it affects only a small percentage of Americans and that wealthy Americans need to pay their fair share. But studies show that the majority of those affected by the estate tax are small business owners and farmers who often end up either liquidating their assets or are forced to find ways to preserve cash to pay the taxes.

The tax prevents business owners from investing in their enterprises, hiring additional employees, or building nest eggs for their spouses and children.

Like the Alternative Minimum Tax, the federal estate tax "will quickly grow to encompass the middle class," said Dr. Antony Davies, associate professor of economics at Duquesne University, in a 2010 report for the AFBF. Unless the estate tax is repealed, by 2048, when today's 20-year-olds reach retirement, Davies said that half of U.S. households would fall victim to the estate tax.

Toll on success

Critics of the tax say it's antithet-

ical to the American dream of wealth building and amounts to a double tax on income that already has been taxed when the business owner earned it.

A July 2010 report by Patrick Fagan for The Heritage Foundation found that the death tax is onerous especially for small communities that depend on family and local businesses for jobs, economic support, and philanthropic giving.

Studies show that "entrepreneurial families beget entrepreneurial children," Fagan said, "but what the government's

death tax has now taught all of these children is that it can wipe out a lifetime of business building." Large corporations do not nurture workers in the same way that small businesses do. Historically, when businesses are passed on to the second generation, economic opportunity expands further. But when a family has to sell the business early to generate money to pay the death tax, communities suffer.

Jonathan Williams, director of the Tax and Fiscal Policy Task Force for the American Legislative Exchange Council, told *Carolina Journal* that economic activity diminishes when families must employ strategies to avoid paying the estate tax.

"Families form trusts and other entities to make heirs ineligible for the death tax," said Williams.

Easy changes

"One of the easiest changes they make is state residency," Williams said, "and states can't erect a Berlin Wall to keep their residents in." Williams added that the only justification the Left gives for such an unjust tax is to redistribute wealth under the notion of fairness.

In 2005, data from the Small Business Administration showed that small businesses employed about half of U.S. workers. Small firms with fewer than 500 workers employed 58.6 million, and firms with fewer than 20 employees employed 21.3 million.

For every \$1 increase in federal estate tax revenues, a study by AFBF found that "state and local governments lose nearly \$3 in other tax revenues." That figure is likely to rise because the federal estate tax will climb to a rate of 55 percent by 2013 and it will capture estates valued at \$1 million, instead of the current \$5 million exemption level.

Eliminating the federal estate tax would increase state and local revenues by more than \$9 billion annually, the AFBF study concluded. The study also cites former Congressional Budget Office Director Douglas Holtz-Eakin, who determined that a repeal of the federal estate tax would add as many as 1.5 million new jobs nationally without any cost to the government or taxpayers.

Sixty-seven percent of Americans say they support a permanent repeal of the tax, according to AFBF, as do a majority of U.S. representatives and nearly half of U.S. senators.

North Carolina lawmakers are not discussing any revisions to, nor a permanent repeal of, the estate tax. *CJ*



Visit our Triad regional page

<http://triad.johnlocke.org>



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

The Triad regional page includes news, policy reports and research of interest to people in the Greensboro, Winston-Salem, High Point area.

It also features the blog Piedmont Publius, featuring commentary on issues confronting Triad residents.

The John Locke Foundation | 200 W. Morgan St., Raleigh, NC 27601 | 919-828-3876

Lecturing in classical liberal thought?

Visit The Faculty Affiliate Network's
Web site at <http://www.lockefan.org/>



The Faculty Affiliate Network is a project of the John Locke Foundation

Decade-Old Ragsdale Project May Finally Move Forward

BY SAM A. HIEB
Contributor

GREENSBORO

Is the “tortured path” of Greensboro’s Ragsdale High School finally coming to an end? Residents of southwestern Guilford County certainly hope so.

That dramatic terminology was used by Board of Education member Paul Daniels as he described the history of the \$32 million renovation project, which he also described as “snakebit from day one.”

“This project has been one contingency after another, and none of those contingencies ever seem to get met,” Daniels added.

The concept for a renovated Ragsdale is now nearly a decade old, and the school board on May 10 finally approved a contract, although questions still remained. At one point, school board members were



Artist’s conception of planned renovations at Lucy C. Ragsdale High School in Guilford County. (Courtesy Guilford County Schools)

discussing whether it was a better use of taxpayer money to provide umbrellas or build a covered walkway.

The project’s history is indeed convoluted. In 2003 the board placed design work for the Ragsdale renovation on a \$300 million bond alongside funding for a new Jamestown Middle School.

From the beginning, the projects have been linked both financially and physically. Ragsdale and Jamestown sit on adjoining sites, and the idea was to incorporate the old middle school building into Ragsdale’s renovation once the new middle school was completed.

Voters approved the 2003 bond, but funds for both Ragsdale and Jamestown were diverted to other projects, and the school board was forced to place both projects on a \$457 million bond in 2008, which voters also passed.

While the new Jamestown Middle School opened in time for the 2010-11 school year, the Ragsdale project remained fraught with problems.

The 2008 bond listed the cost of phase one — combining Ragsdale with the old Jamestown building with a new gym and media center — at \$24.9 million. The second phase would be

the addition of an autism wing at a cost of \$8.5 million.

But the bid for the first phase came in \$5 million over estimates, so the board voted to rebid the project.

At the board’s May 10 meeting, chief operations officer Andy LaRowe presented a “total maximum price” of \$32.1 million for both phases.

“We’re still following the scope of the project as promised to the voters in the bond program,” LaRowe told the board.

But there are still sticking points. For starters, \$9 million in funds from other projects will have to be moved

to cover the cost, including \$5 million from another autism wing at a proposed high school in the northwest part of the county.

Second, there is the matter of so-called “add-alternates” — suggested items not included in the final bid.

Daniels, who represents the Jamestown district, grilled LaRowe on the add-alternates, which included major items such as an HVAC system that covers both buildings, and not-so-major items such as a covered walkway, new cafeteria windows, and new theater lighting.

The discussion of the add-alternates became quite detailed as board member Nancy Routh stated she’d rather issue umbrellas than spend the money on a covered walkway because umbrellas “are more useful.”

Another issue was the possibility that the add-alternates could change the overall bid. As a result, the contractor — Greensboro-based D.H. Griffin/Balfour Beatty — possibly would no longer be the lowest responsible bidder.

“Your purpose tonight is to award a contract, and you can’t award a contract when you don’t know who the winner is,” warned school board attorney Jill Wilson.

“Then why have this conversation?” Daniels asked, growing visibly irritated.

Ultimately, the board voted to approve the contract and instructed staff to pursue separate bids for add-alternates. CJ

COMMENTARY

Teacher Layoffs? Blame Obama

On Feb. 17, 2009, President Obama signed the \$814 billion American Recovery and Reinvestment Act into law. The ARRA or “stimulus” bill set aside \$100 billion for education, including over \$1.3 billion for North Carolina public schools for two years. This year, the federal gravy train comes to a halt. School districts throughout the state will be forced to cut positions funded by this temporary source of revenue.

As usual, much of the state and local media are in denial. A recent editorial in *The Charlotte Observer* explained, “Actually, the federal government isn’t cutting funds. That money was a one-time boost to help struggling states during the recession. Policymakers knew those federal dollars would end after two years.” *Observer* editors echo the education establishment in North Carolina. Neither appears willing to fault the Obama administration for forcing school districts to eliminate hundreds of teachers and support staff positions.



TERRY STOOPS

School districts and states had ample warning about the end of stimulus funding. In a March 2009 presentation distributed by the N.C. Department of Public Instruction, the U.S. Department of Education directed states to invest stimulus funds thoughtfully and sensibly to “minimize the ‘funding cliff.’”

As one of four guiding principles, federal education officials wrote, “ARRA represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.” While they did not prohibit using stimulus funds to support teaching positions, federal education officials recommended that public schools use the stimulus money for purposes such as teacher training, instructional technology, and longitudinal data systems.

A year later, economic conditions had not improved as much as Obama administration officials had hoped, and top federal education officials changed their tune. Department of Education official Maura

Policelli advised states “to use ARRA funds to support primarily the staffing needs” for low-income and special-needs programs. She remarked that such a strategy “does require some courage because it does involve the possible risk of investing in staff that you may not be able to retain in the 2011-12 school year.”

School districts across the state rapidly poured federal stimulus money into teaching positions. The shift was dramatic. Years before passage of the stimulus, federal funds supported between 6 percent and 7 percent of the North Carolina

teaching work force. The following year, that is, the year the stimulus funds arrived, the percentage increased to nearly 10 percent. This year, the federal government funded 12 percent of North Carolina’s teachers. Over the course of two years, North Carolina’s public schools shifted funding for 6 percent of its teaching positions from state and

local sources to temporary federal sources.

New Hanover County is among many public school districts at the precipice. District leaders in New Hanover proposed cutting 132 stimulus-funded faculty and staff positions. Of those, about half are special education teachers, special education assistants, or related jobs. Half are jobs at low-income schools. A similar scenario is playing out in school districts across North Carolina.

So, why do North Carolina’s school leaders blame Republicans, not the Obama administration? Aside from their stalwart allegiance to the Democratic Party, the answer is simple. They gambled. Education leaders believed that state and federal lawmakers would never allow temporary sales tax and stimulus funds — for the children — to expire. So, for two years, school districts conducted business as usual, rather than preparing for the inevitable loss of revenue. The Obama administration calls it courage; I call it recklessness. CJ

Dr. Terry Stoops is director of education studies at the John Locke Foundation.

Charter Schools on Back Burner in Favor of Budgets

Reform bill might not see action until summer or later

BY DAVID N. BASS
Associate Editor

RALEIGH
Reforms to North Carolina's charter school law won't move until budget negotiations are further along in the General Assembly, a development that could mean the bill won't be finalized until this summer or even next year.

Senate Bill 8, No Cap on Number of Charter Schools, has sat dormant in a joint House and Senate conference committee since mid-April. It's going to stay there for the immediate future in favor of more pressing fiscal matters, sponsors say.

"We left it there until the budget process is further along," said Sen. Richard Stevens, R-Wake, a co-chairman of the conference committee and the primary sponsor of the bill. "Nothing has changed since it went to conference."

That has frustrated school-choice advocates, who have pushed for the bill as their top agenda item this legislative session.

"It's getting so late that it's doubtful any [new charter] schools can open in August of 2012, so it does very little for the charter community and the families of this state," said Eddie Goodall, president of the North Carolina Alliance for Public Charter Schools and a former Republican senator from Union County.

Goodall said the bill is being used as leverage. "It's a totally partisan, caucus-driven issue," he said. "Republicans support Senate Bill 8, Democrats don't, and that tells people that it's a partisan issue. And that's sad."

A tangled process

Charter school advocates began the legislative session in January with high hopes. Lifting the 100-school cap was an integral plank of the new Republican majority's agenda, and a one-page bill doing that was among the first introduced in the Senate.

Then the challenge began.

A Senate committee transformed the measure into a 21-page, comprehensive reform of North Carolina's charter school law. The changes included establishing an independent charter school commission under the Department of Public Instruction, overhauling governance and funding structures for charters, and freeing up local boards of education to convert existing schools to charters without forming a nonprofit corporation.

Republicans also agreed to Democrats' demands to require charters to offer free lunches and transportation to students.

The full Senate passed the legislation in late February on a mostly party-line 33-17 vote. Three weeks later, a House committee took up a retooled version of the bill in response to Democratic objections.

Incorporating a host of changes, the House version bore little resemblance to the original bill. Republicans added concessions on capital funding, stripped the authority of the charter-schools commission, and limited the number of new charter schools per year to 50.

Despite the concessions from Republican sponsors, only one Democrat — Rep. Marcus Brandon of Guilford County — voted for it on the House floor.

"Everything they brought up was given to them in exchange for absolutely nothing in terms of votes," Goodall said. "We're all wondering why the bill was even watered down with no Democrat support before or

after."

Back in the Senate, members took a unanimous vote not to concur with the House version, sending the bill to a conference committee in mid-April.

Despite the lengthy process, Goodall still thinks both sides will work out a version that Gov. Bev Perdue, a Democrat, will sign. He objected

to the idea of scrapping the bill and starting from scratch.

"That would be exactly what the anti-charter people would like to see done," he said.

Tax credits stalled

Although charter legislation has commanded the most attention this session, school choice advocates quietly have pushed another major reform — tax credits for families who send their kids to nonpublic schools.

House Minority Leader Paul "Skip" Stam, R-Wake, has sponsored two bills with that aim in mind. The first would make middle- to low-income families eligible for up to \$3,500 a year in tax credits for pulling their children out of public schools. The second is tailored to families with disabled kids and would make available up to \$6,000 in credits.

Both measures have garnered intense opposition from public school teacher groups, claiming the tax credits would be detrimental to public education.

The bills would have a net drain of \$14.6 million for the next fiscal year. But beginning with the 2012-13 fiscal year, the tax credits would generate around \$51 million in annual savings for state and local governments. The savings result from fewer students attending public schools, easing the burden on school districts and state administration.

The bill authorizing tax credits for disabled students passed the House Education Committee in April. The all-encompassing tax-credit bill remains in that committee and hasn't seen any action. *CJ*

Republican legislators are miffed that, despite numerous concessions at the behest of Democrats, the Democrats still won't support the bill

Visit our Wilmington regional page

<http://wilmington.johnlocke.org>



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

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

It also features the blog Squall Lines, featuring commentary on issues confronting coastal N.C. residents.

The John Locke Foundation | 200 W. Morgan St., Raleigh, NC 27601 | 919-828-3876

CAROLINA JOURNAL

Join the Carolina Journal Publishers Council

Carolina Journal is North Carolina's real alternative media source, giving you in-depth reports of statewide news, aggressively uncovering corruption and holding elected officials accountable and honest.

We have the stories exposing millions of dollars in government waste, numerous cases of political cronyism, sweetheart real estate deals for politicians, and secret political slush funds.

If you believe government without scrutiny is a dangerous thing, count on *Carolina Journal* to be your watchdog. Get the inside lowdown on statewide news.

Producing the best journalism in North Carolina is expensive. Keep the presses rolling. **Join the Carolina Journal Publishers Council today at <http://www.carolinajournal.com/support/>.**

American Renaissance Charter School Makes Old Things New Again

By KAREN WELSH
Contributor

STATESVILLE

In the heart of this city is a historic main street that once thrived as the epicenter of activity. However, as a new generation of malls began to spring up in the suburbs, many businesses, and the buildings that housed them, were abandoned.

Enter American Renaissance School, a downtown public charter school serving grades K-8. It has brought new life to the area and has lived up to its name by reviving the community.

The elementary portion of this public charter school is located in a Ford dealership built in 1903. The spacious red brick building screams everything old, but within its walls is everything new, including a bevy of eager students.

Bright colors and artwork are splashed everywhere in the open-air facility, and a large red slide appears to come out of nowhere, a treat for students who have earned the reward of a "slide ride."

First elementary charter

ARS holds the honor of becoming the first elementary charter school in the state to incorporate in 1998. All the teachers are fully certified according to North Carolina law, and 70 percent hold master's degrees.

Fourth- and fifth-grade math teacher Linda Dearman, a veteran of the traditional public school system, said working at AR is "heaven on earth."

"I've been around a long time, from the early 1980s of no accountability to No Child Left Behind, where I



Students working in a classroom at Statesville's American Renaissance School, the state's oldest elementary charter school. (CJ photo by Karen Welsh)

watched children cry over tests."

She said this cutting-edge charter school expects accountability for all teachers and students, but a greater emphasis is placed on the individual style and strength of each teacher.

"In the traditional public school system, we were tested to death, and it made the children cry and stressed them out," Dearman said. "In this charter school, it is child-centered, and we are given the freedom to be a professional ... We are able to decide what each student needs and then tailor our teaching to that. Personally, I love having the freedom to be able to teach again."

She said the children benefit from

the shift. They learn how to think outside the box and see their educational growth as something exciting and progressive.

"It has a different effect than beating kids over the head with standardized tests," Dearman said. "Measuring a child like that is wrong. I don't believe in it."

Leadership

She said the support from the principal is phenomenal. "The leadership drives what is going on in this building," Dearman said. "From my experience, I know success is determined by the leadership in the school."

Dearman said she had a lot of misconceptions about public charter schools and was hesitant to take the position. She believed the myths and generalizations that the innovative schools didn't have to take children with special needs or offer transportation. Now she knows how very wrong she was about how they operate.

"I've changed my mind," she said. "Now I see public charter schools have done away with the bureaucracy and given the authority back to the teachers. I'm living in a bubble right now, and I'm happier and healthier."

Down the street, Renaissance's junior high school facility, located in a former J.C. Penney retail building, is providing the children with a seamless education on a secondary campus. The sixth- through eighth-grade population brings the total enrollment to 520 students.

ARS Lead Principal Stephen Gay said 100 potential students are on a wait list. He said a random school lottery every spring determines who will get in and who will not.

"It's a time when there is a lot of

joy for those who make it," he said. "But it's also an occasion for a lot of tears by parents who didn't get their student in."

Gay said he's watched the school grow and thrive over the 12 years he's been there. He came from the nearby traditional Hickory Public School System, where he was both a teacher and administrator.

"I loved working there," he said. "When I was approached the first time by this school's board members to be the principal, I said 'no.'"

When asked again, Gay reconsidered because he realized the charter school would allow him and the rest of the teaching staff to shape their own educational vision and future.

"I sat down with a legal pad, took our charter, and we decided what our school was going to be like," he said. "We looked at the whole child, developing them into individuals, and it sort of evolved from there."

Gay said middle school students are prepared for college, given a laptop, and expected to adhere to a few basic expectations and core values that are incorporated into each school day.

"They must come to school wearing their uniform, do their homework, and turn it in," he said. "They must ... make good decisions and respect others."

Gay said the junior high setting uses a "looping concept," in which students have the same teacher for three years. He said all grade levels supplement North Carolina's Standard Course of Study with a lot of hands-on group exploratory and experiential classroom experiences.

Success stories

He also said the school's biggest success stories often can be found outside the confines of the classroom.

"We are not bound by these four walls," he said. "Success is often found outside the building as we do things in the community. We actually give our students a place where they can mess up. We are a safety net, not only a place where they can develop academic excellence, but where they can find respect, support, and safety. We continually look at how the students mature as individuals and adapt to that."

Eighth-grader Ashlen Robinson is thankful for teachers' guidance.

"If I have troubles, they specifically work on that instead of moving on," she said. "The teachers are dedicated to me, and they want us to learn."

Gay said public charter schools continue to appeal to many students because they offer variety.

"Traditional public schools are like Cracker Barrels," he said. "They are all the same. Charter schools are like a mom-and-pop restaurant. We add a little flavor." CJ

Locke, Jefferson and the Justices:

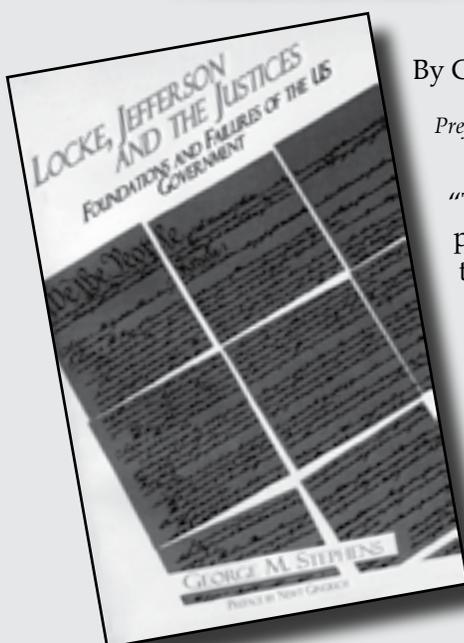
Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

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

Newt Gingrich
Former Speaker
U.S. House
of Representatives



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

Town and County

Charlotte to get HOT lanes

North Carolina's only high-occupancy vehicle lane may become a high-occupancy toll lane, reports *The Charlotte Observer*.

When the N.C. Department of Transportation widened Interstate 77 in Mecklenburg County from Uptown Charlotte to Huntersville in 2004, it added an HOV lane in each direction. The idea was to encourage drivers to car pool by offering a special lane reserved for vehicles carrying at least two people.

The I-77 HOV lanes are not used to their full capacity. To increase their use, the state will convert them to HOT lanes. This would allow people traveling alone to use them by paying a toll. The amount of the toll would vary by time of day, with higher charges during peak hours. Vehicles carrying two or more people could continue using the lanes for free.

Work is expected begin in late 2014 or early 2015 and take about three years. Formal approval of the project by the N.C. Board of Transportation is expected in July.

Asheville recycling

Asheville, which has the highest percentage of households in North Carolina that recycle, soon will become the latest city to make use of large, rolling garbage can-like containers instead of bins for recycling. The program comes with both an additional cost to residents and an incentives program, reports the *Asheville Citizen-Times*.

In May, Asheville City Council voted to move toward using the larger containers for recycling. A critical benefit in the view of council members was an incentive provided through a New York-based company called Recyclebank.

"We need to take it to the next level," said Councilwoman Esther Manheimer.

Manheimer estimates that the average recycling household would earn between \$89 and \$138 in discounts, which could be used at Bed Bath & Beyond, Staples, and Dick's Sporting Goods, as well as a variety of local stores. The amount of rewards earned would depend on how many pounds of recyclables were collected.

To recover the cost of purchasing the large containers and offering the incentives program, the city will increase yearly fees by up to \$7.80 per household. *CJ*

First Step in Annexation Reform Looms

By SARA BURROWS
Associate Editor

RALEIGH

Historic annexation reform legislation is on the verge of passing before the 2011 session of the General Assembly adjourns.

House Bill 845, which could become law in the next few weeks, would reverse a 50-year-old policy silencing residents who face being annexed into cities against their consent. Even so, some say the bill doesn't go far enough.

The Annexation Reform Act of 2011 would accomplish two major goals. It would give property owners targeted for forced annexation an opportunity to reject or "veto" the annexation, and force cities to provide meaningful services — including water and sewer — at no additional cost to those being annexed.

The bill is unusual in that it has the support of the state's grass-roots annexation reform groups while not being opposed vocally by the powerful North Carolina League of Municipalities. The league has remained on the sidelines because reformers are holding back a measure declaring a moratorium on all forced annexation proceedings for the next year. Reformers believe the moratorium is a trump card they will play only if needed.

H.B. 845 passed the House by a 107-9 landslide in May and is expected to glide through the Senate, where Republicans have a veto-proof majority. And supporters say Gov. Bev Perdue will hear from them if she vetoes it.

What the bill does

The single most important reform in the bill gives property owners a voice, said Daren Bakst, director of legal and regulatory studies for the John Locke Foundation.

Since involuntary annexation became legal in North Carolina in 1959, rural property owners have had little recourse when a city decided it wanted to take them in. They were forced to live under city rules and pay city taxes for services many neither wanted nor needed.

The reform bill offers property owners a chance to "veto" a city-initiated annexation if 60 percent of them sign petitions rejecting the annexation.

Some activists argue that the onus should not be on annexation opponents to reject the annexation. Instead, they say, 60 percent of property owners should be required to approve an annexation before it goes through.

But it's a burden Cathy Heath, co-director of the Stop NC Annexation Coalition, is willing to bear. Based on her experience fighting forced annexation, getting petitions signed and mailed by 60 percent of targeted property owners should be no problem.

"They kick into gear, they get organized, and they're highly motivated," Heath said. "They've gathered petition signatures from way more than 60 percent time and time again, and that's when the petition was nothing more than a statement that didn't have any weight of law."

H.B. 845 is a big step in the right direction, Bakst said. "Considering for 52 years this state has not given property owners any voice at all, to actually have a voice now is huge."

The second most important reform the bill makes,

Bakst said, is that it requires cities to provide water and sewer lines to annexed neighborhoods at no additional cost to the property owners.

Cities often argue they need to annex a group of property owners in order to "save them" from their failing septic systems, and then fail to provide water and sewer services in a timely manner after the annexation is complete. And when the lines are built to the annexed community, property owners get the bill, which can amount to tens of thousands of dollars per homeowner.

Bakst said the cost of providing "free" water and sewer lines alone may be enough to deter cities from attempting a forced annexation.

What the bill doesn't do

Some reform activists object that H.B. 845 does nothing for communities that already have been forcibly annexed or that currently are in court fighting an annexation.

Keith Bost, who lives in Sapona, an affluent golf-course community just outside Lexington, is incensed. Sapona residents are in court fighting what they call an improper and illegal annexation by Lexington. Bost says his neighbors face long odds, as courts typically side with cities in legal actions against annexation. He was hoping the reform bill would be retroactive, letting it apply to communities now in litigation or recently an-



This is one of the homes in Sapona, a golf community near Lexington, that the city wishes to "rescue" with annexation. (CJ photo by Sara Burrows)

nexed.

Heath said she would have preferred making the bill retroactive as well, but doing so would decrease significantly its chances of passage.

There also has been talk of including a provision exempting farms from involuntary annexation. The petition process alone is not enough to protect farms from annexation, Heath said, because a farmer could get stuck with a group of property owners who actually wanted to be annexed and could be outvoted.

This addition also would decrease the bill's chance of passage. The goal, Heath said, is to break annexation reform into small, palatable bills that the League of Municipalities can accept, one at a time. Trying to overturn the whole system in one bill would be futile, she said, as the league, which has lots of friends in the legislature, would never let it pass.

Right now, the reform bill is the most important thing, Heath added. Activists are sitting on House Bill 9, which would nullify all annexations now in litigation, as leverage to make sure H.B. 845 becomes law.

After the reform bill is passed, Heath said, Republican lawmakers have promised to do everything in their power to pass a series of local bills designed to rescue communities in litigation and even to reverse some recent annexation proceedings.

Heath added that Rep. George Cleveland, R-Onslow, has promised to take care of farmers with a separate measure, House Bill 168, exempting them from annexation, extraterritorial jurisdiction, and city zoning ordinances.

H.B. 845 now sits in the Senate Finance Committee, where it will be taken up immediately after the Senate finishes its work on the budget. President Pro Tem Phil Berger, R-Rockingham, has assured annexation reform groups that the bill will be the Senate's top priority after it approves a budget in June. *CJ*

Cabarrus Vote Supports JLF's Findings About Tax-Issue Voting

By CJ STAFF

RALEIGH

Cabarrus County voters' endorsement of a quarter-cent sales tax hike last month confirms a recent trend: County governments have much better luck winning support for sales tax referendums held outside the normal election schedule.

Nearly 60 percent of those voting said yes to the Cabarrus sales-tax increase, but that represented just 2,261 of the county's 108,408 registered voters. That's 2 percent. Along with the 1,530 "no" votes, total turnout for the single-issue election reached just 3.5 percent.

A John Locke Foundation Regional Brief issued before the vote had raised questions about tax votes scheduled on days other than well-publicized primary or general election dates.

"Holding a single-issue election on May 17 is unusual," JLF researchers explained. "Of the 100 county tax-increase votes since the legislature approved the local county option tax in 2007, only 10 votes have been held outside the normal May primary or November general election dates. Of those, 60 percent have been approved, while only 13 percent of tax increases voted on during primary or general election dates were approved."

As Cabarrus County voters went to the polls, the General Assembly was considering a bill limiting the ability of counties to schedule elections on these unconventional dates. House Bill 366 would limit special elections to general election and municipal general election dates, "except in cases of a public health or safety emergency."

Cabarrus' turnout data confirmed an additional finding from the JLF report. "One of the reasons for the huge difference in approval rates is that holding single-issue elections outside the usual May and November dates is guaranteed to suppress voter turnout," according to the report. "Average voters are less likely to turn out on, for example, Feb. 1 (Halifax County), Aug. 3 (Robeson County), or March 2 (Randolph County). Turnout of registered voters for those elections was 6.47 percent, 4.22 percent, and 4.86 percent respectively."

Locke Foundation experts questioned commissioners' decision to

schedule a special election on May 17. "This ploy is hardly democracy in action," said Dr. Michael Sanera, director of research and local government studies. "Commissioners should be ashamed at resorting to such a trick to win 'voter' approval."

"It appears that county commissioners have learned that holding single-issue elections outside the regular primary and general election dates is the key to success," Sanera added. "The reason this gimmick works is that the county special-interest groups who would benefit are more likely to turn out and vote than those general taxpayers who would be paying the bills."

JLF researchers also noted that:

- About 20 percent of the Cabarrus County operations budget for fiscal year 2011 goes to pay the interest and principal for an accumulated \$333 million

debt. County commissioners approved \$220 million of this amount without voter approval.

• Over the last five school years, Cabarrus County Schools had the fourth-highest average per-pupil capital expenditure in the state (\$1,774). It was \$877 higher than the state average and nearly \$1,000 higher than the Charlotte-Mecklenburg Schools.

• The \$42 million in debt service paid in FY 2011 is more than the county spends on human services, general government, or public safety.

Cabarrus is the second North Carolina county to adopt the quarter-cent sales tax this year, following Halifax's Feb. 1 vote on the issue. Buncombe is the only other county that has reported plans to seek a sales-tax hike to the N.C. Association of County Commissioners. Buncombe has scheduled its referendum for Nov. 8.

Twenty-three counties pursued sales-tax referendums in 2010. Voters shot down all 14 votes scheduled to coincide with the Nov. 2 general election. Seven of the other nine referendums succeeded, including votes scheduled March 2, June 22, and Aug. 3.

H.B. 366 also added regularly scheduled primary dates in even-numbered years to the list of authorized special-election dates. On May 19, the House passed the bill 69-44. At press time, it was awaiting action in the Senate.

CJ



COMMENTARY

The Challenge of Tough Times

North Carolina's budget season is in full swing. Though Raleigh's epic showdown over ending the temporary sales tax is newsworthy, local budgetary issues also loom large.

As a backdrop, most counties going through the revaluation process are seeing drops in property values. In Brunswick County, valuations dropped by a staggering 30 percent, or \$9 billion. In Henderson County, valuation dropped by 10 percent. Both counties are trying to adopt revenue-neutral budgets this year. Most also are seeing drops in sales tax revenues.

The good news should be that counties and cities are making tough decisions about what constitutes a needed expense. When looking over the tough budget decisions, is law enforcement on equal footing with non-profit funding? Are walking trails and other "green" projects worthy of taxpayer funding to the same degree as roads or water infrastructure?

This is also a unique opportunity to embrace ideas like competitive sourcing and performance management, long advocated by free-market enthusiasts and fiscal hawks. Anything that cities or counties (even school systems) do that can be bid competitively by a private-sector company should be attempted.

Government jobs should be protected no more than those in the private sector, which has shed them in record numbers. Performance management creates a methodology that rewards stellar employees and gets rid of those who don't perform. And yes, it has been done!

As school boards and county commissioners debate, remember that the Department of Public Instruction tells every school system that all needed teachers are funded by the state. Local governments using property tax dollars to pay for teachers must be questioned. Supplements for administrative personnel and bureaucrats also should face tough scrutiny.

Nonprofits represent additional savings for local governments that routinely dole out millions to

them. Justification for public funding abounds, but it also can undermine the viability of nonprofits. When nonprofits struggle to raise money from private donors, they often turn to local government. Once they do, it becomes easier to convince a voting majority of any given board to rely on tax dollars rather than private fundraising. Without folks raising community awareness, the nonprofit becomes addicted to the handout — becoming a ward of the government — and loses community support.

Cities and counties also deploy furloughs, job freezes, layoffs, and across-the-board cuts. Though these strategies can save money, they also can be counterproductive. A better strategy would be utilizing flex time, which can provide more services for the same amount of

money by extending employee hours.

Job freezes and layoffs are good for headlines. But looking at attrition and focusing on actual efficiency are better money savers than cutting needed positions. When a child-support agent leaves and the position is frozen, that position's caseload has to be divided among the remaining staff. The result often is lower child support collections.

Across-the-board cuts are popular but very dangerous, as local government ends up cutting high-performing areas on an equal basis with those that aren't pulling their weight. If a police department has driven down crime significantly, cutting it by 5 percent doesn't help the performance of local government.

Looking at budgets as citizens is much different than working behind the desk as an elected official, especially in tough times. It takes real leadership to take on the status quo and implement genuine fiscal change. This economy should make the challenge a lot easier to embrace. Those who do will have prepared their local governments to be far more nimble and responsive to legitimate needs in the future. CJ



CHAD ADAMS

Chad Adams is host of "The Morning Beat" on 93.7 FM and 106.3 FM The Big Talker in Wilmington.

From the Newsstands

Technology Tsunami

Stanford political science professor Terry Moe thinks technology might kill teachers' unions. An article in *Fortune* magazine discusses key themes from Moe's new book *Special Interest*.

Here's a key excerpt:

Moe says legislative reforms like No Child Left Behind and Race to the Top "are small things by comparison, and they can be blocked."

By contrast, "education technology is a tsunami that is only now beginning to swell." Unions "can't stop it, although they will try."

Moe, 61, is talking about the Web, fast connections, improved screens, and a growing consensus that there are truly

superstar teachers. He says cheap technology will massively substitute for expensive labor. Geography and economic disparity will become irrelevant for teaching — and that means teachers "no longer need to be concentrated in districts." These transformative, entrepreneurial changes — a "historical accident, a force from the outside" — will "undermine the very foundations of union power."

Given what we know about teachers' unions, that can mean only good news for parents and students.

A *National Review* cover story documents the de facto death panels that will be associated with a key provision of ObamaCare known as the Independent Payment Advisory Board. "IPAB has not yet come into existence," Stanley Kurtz warns, "but when ObamaCare goes into full effect, it will be an unelected and unaccountable bureaucratic entity with nearly limitless power over federal Medicare spending."

Kurtz explains how this little-known board would gain incredible power over our lives.

Even in the absence of a single-payer system, IPAB's centrally planned and democratically unaccountable price-setting authority pulls us far down the road to socialism. Socialism inhibits liberty, and IPAB's panoply of restrictions on democratic self-rule are the logical corollary of command-and-control central planning.

Conservatives must take this

lesson to heart and make the constitutional issues every bit as central to their assault on IPAB as the questioning of rationing itself. Claremont Institute scholar Charles Kesler has forcefully argued that ObamaCare will be repealed and Obama himself defeated only when the public recognizes that the very "future of self-government in America" is at stake in this debate. If IPAB stands, the door is open to further ceding of congressional authority to boards and panels and commissions.



Want to find a poster "child" for the entitlement mentality? Michelle Malkin might point you to 30-year-old Stanley Thornton Jr., a self-proclaimed

"Adult Baby."

Profiled on a recent National Geographic reality television show, Thornton claims to suffer from a bizarre infantilism that leads him to wear diapers, lounge around in an oversized crib and seek constant coddling.

The nappies may be extreme, but let's face it: Thornton Jr. — let's just call him Junior — is a symptom of our Nanny State run amok, not an anomaly.

Junior came to Washington's attention ... when Oklahoma GOP Sen. Tom Coburn challenged the Social Security Administration to probe into how the baby bottle-guzzling 350-pound man qualified for federal disability benefits. A former security guard, Junior is handy enough to have crafted his own wooden high chair and playpen.

Junior can drive a car and has sense enough not to go out in public in his XXL footie pajamas. Yet, welfare administrators treat him as an incurable dependent. Also collecting taxpayer-subsidized paychecks: Thornton's adult roommate, a former nurse, who has indulged Thornton's baby role-playing for the past decade.

Not from nowhere has this stubborn, self-destructive sense of entitlement sprung. As I reported last month, a record-breaking 12 million Americans have been added to the federal food stamp rolls over the past two years, and the bloated \$6 billion AmeriCorps social justice army has been converted into a publicist corps for the welfare machine.

CJ

— MITCH KOKAI

Durham Residents Seek City Funds for Developer's Errors

By MICHAEL LOWREY
Associate Editor

A Durham neighborhood is threatening to sue the city to force it to pay for items that the neighborhood's developer never completed. The neighborhood's homeowners association claims Durham should pay because surety bonds it required the developer to post proved to be inadequate, reports the *Durham Herald-Sun*.

Stoneybrook Cottages is one of nine subdivisions in Durham in which the developer failed to complete infrastructure work, such as paving streets or installing proper drainage. In approving the projects, the city required the developers to post bonds to ensure completion of those items. The bonds did not come close to covering the cost of finishing the work.

The city is proposing to guarantee completion of the work but wants to recover 90 percent of the cost through assessments on property owners in the neighborhoods, with the city covering the final 10 percent.

"The bad choice of dance partners made by the department is a fiscal mistake that should be absorbed by the city as a whole," said Chris Baker, president of the Stoneybrook Cottages homeowners association, to city council. Baker added the association already has decided to "get involved in a legal fight" if the city doesn't pay for all of the work.

"Hopefully, we'll learn from this," said Durham Mayor Bill Bell of the situation.

"The development community probably will not like what measures we take. The only reason we're in this mess is we didn't require higher bonding."

PART vehicle fees

The Piedmont Authority for Regional Transportation is changing gears in its attempt to close a budget gap. The move comes in the wake of heavy public opposition to its proposed vehicle registration fee for transit in the Triad, reports the *Winston-Salem Journal*.

The transit agency is spending more than it is taking in and will run out of money by November. In March, PART's board proposed raising fares from the current \$2 per ride to \$2.50, cutting some routes, and asking five member counties to impose a \$3 per

vehicle registration fee to help fund PART.

The public's response to PART's proposal was overwhelmingly negative.

"I've never taken a beating like I've taken in the last three weeks over this issue," said Paul Johnson, chairman of the Surry County commissioners and a PART board member, of the reaction to the possible vehicle registration fee.

In response, PART now is considering a larger fare increase to close its budget gap. A \$4 one-way fare is a possibility, as are fares based on distance traveled.

"The general consensus of non-riders is it should be self-sustaining," said Kevin Austin, chairman of the Yadkin County commissioners.

In addition to the fare increase, PART will ask Forsyth, Guilford, Davidson, Surry, and Randolph counties to make direct contributions to the transit agency, with the amount of the subsidy based on the number of vehicles registered in each county.

Nash chicken plant

A proposed chicken processing plant in Nash County has Raleigh officials clucking mad. The facility, they contend, would undermine efforts to clean up the Neuse River basin, reports the *Raleigh News & Observer*.

Mississippi-based Sanderson Farms is hoping to build the processing plant on N.C. Highway 97 near Interstate 95 outside of Wilson. It recently completed a similar plant in Kinston. Together, the two facilities would process about 130 million chickens a year.

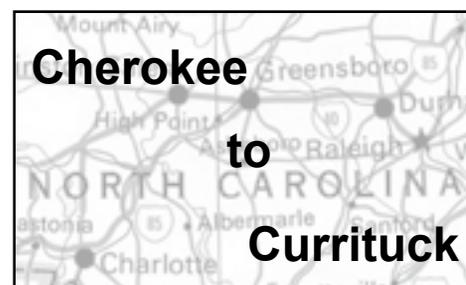
The proposed Sanderson Farms plant has divided local governments. Nash County supports the plant, while Wilson has sued to stop its construction.

"We desperately need jobs," said Nash County Commissioner Robbie B. Davis last year in explaining the importance of the proposed plant, which could bring 1,100 jobs to the area.

Raleigh officials are concerned about the impact of wastewater from the proposed plant. Sanderson Farms wants to use sprinklers to spread treated wastewater onto a field near the plant.

The treated wastewater ultimately would flow into the Toisnot Swamp watershed, which is part of the Neuse River basin.

CJ



Court: Residents Not Bound By Developer-City Annexation Pact

Case involved city of Greensboro and three subdivisions

By MICHAEL LOWREY
Associate Editor

RALEIGH

Under what conditions can a property owner withdraw consent to a voluntary annexation? And does it matter if the property has changed hands since the original voluntary annexation petition was enacted?

Those were among the issues in a case involving a group of Guilford County residents who persuaded the state's second-highest court that they should not be bound by an annexation agreement between the developers of their neighborhoods and the city of Greensboro.

A unanimous three-judge panel ruled that state law gives future homeowners the opportunity to get out of an annexation agreement that was completed before the homes in the neighborhood were available for sale — even if the city had agreed to provide water and sewer service. The court said that cities seeking relief from existing statutes should look to the legislature, not the courts, for help.

Between 1997 and 2000, Greensboro entered into agreements with the developers of the Whitehurst, Hartwood, and Laurel Park subdivisions to provide water and sewer service. In return, the neighborhoods were annexed voluntarily into the city. The agreements claimed to be "binding upon

the heirs, assigns, transferees, and successors in interest of the Owners and shall, upon execution, be recorded in the Office of the Register of Deeds of Guilford County, North Carolina."

Annexation proceedings didn't begin until 2008, however. By that time, the tracts of land covered by the agreement had been subdivided, with houses built and sold to individuals and families, many of whom were unaware they eventually could be annexed at the time they bought their homes.

At a public hearing on April 7, 2008, 39 property owners in the developments submitted forms withdrawing their consent to the voluntary annexation. Despite this, Greensboro City Council voted 5-4 to proceed with the annexation, effective April 21, 2009.

Two months later, four property owners sued the city to have the annexation declared invalid. On Feb 5, 2010, Superior Court Judge Edwin G. Wilson ruled in their favor. The city then brought the matter to the N.C. Court of Appeals, hoping to have the annexation reinstated.

In a 1979 case, *Conover v. Newton*, the N.C. Supreme Court held that "[voluntary annexation] petitioners may withdraw at any time up until the

governing municipal body has taken action upon the petition by enacting an ordinance annexing the area described in the petition." The appeals court had to decide if any legal barriers precluded the purchasers of the property from withdrawing consent to the annexation.



The city advanced several arguments. For example, Greensboro argued that withdrawing consent was prohibited by N.C. General Statute § 160A-58.21, which "authorize[s] cities to enter into binding agreements

concerning future annexation in order to enhance orderly planning by such cities as well as residents and property owners in areas adjacent to such cities."

The appeals court found this argument lacking. Writing for the court, Judge Sam Ervin IV noted that the statute involved annexation agreements between municipalities, not between a city and an individual. Ervin also said the section in question dealt with annexation agreements, not an agreement to provide water and sewer service.

Greensboro next contended that allowing the homeowners to withdraw consent would thwart the purpose of the state's voluntary annexation stat-

utes. Again, the court did not agree.

"Nothing in the literal language of [the annexation statute] sets any time limitation within which a petitioning landowner is entitled to withdraw his or her consent to a proposed voluntary annexation. ..." Ervin also noted that the city's complaints were based upon policy considerations rather than legal challenges.

"Defendant's argument ... amounts to a contention that the voluntary annexation process will become unworkable unless limitations upon the ability of individual property owners to withdraw their consents to annexation are created. However, no such limitations appear in the existing statutory provisions relating to voluntary annexations, and the creation of such limitations is a matter for the General Assembly rather than the judicial branch."

A third line of argument was no more successful. Greensboro claimed that N.C. Gen. Stat. § 160A-314, allowing municipalities "to establish and revise from time to time schedules of rents, rates, fees, charges, and penalties for the use of or the services furnished by any public enterprise," let the city require annexation as a condition of extending water and sewer service. The Court of Appeals disagreed, noting that the city did not annex the properties when it connected them to the water and sewer system.

Because the appeals court decision was unanimous, the N.C. Supreme Court is not obligated to review the case should the city choose to appeal.

The case is *Cunningham v. City of Greensboro*, (10-584-1). CJ

Help us keep our presses rolling



Publishing a newspaper is an expensive proposition. Just ask the many daily newspapers that are having trouble making ends meet these days.

It takes a large team of editors, reporters, photographers and copy editors to bring you the aggressive investigative reporting you have become accustomed to seeing in Carolina Journal each month.

Putting their work on newsprint and then delivering it to more than 100,000 readers each month puts a sizeable dent in the John Locke Foundation's budget.

That's why we're asking you to help defray those costs with a donation. Just send a check to: Carolina Journal Fund, John Locke Foundation, 200 W. Morgan St., Suite 200, Raleigh, NC 27601.

We thank you for your support.

John Locke Foundation | 200 W. Morgan St., Raleigh, NC 27601 | 919-828-3876

YOUR HOME ON THE WEB FOR NORTH CAROLINA PUBLIC POLICY

Creating your own personal Key Account at www.JohnLocke.org is a great starting place for tracking the critical public policy issues facing North Carolina.

Each day, your Key Account searches a comprehensive database of JLF reports, briefing papers, news articles, press releases, and events notices to display timely information about the issues of your choice. It's an excellent tool for those drafting legislation, researching policy issues, preparing news stories, planning political or lobbying campaigns, or seeking information with which to be an informed voter and citizen.

Visit www.JohnLocke.org and create your personalized Key Account today!



Corruption Charges Stop at Easley and Top Aide Poole

Continued from Page 1

Court ruled last year that the law against "honest services" fraud involving public officials was too vague.

Boyle sentenced Poole to 12 months and one day in prison and a \$30,000 fine. Poole was charged last year with 57 corruption counts involving bribery, extortion, money laundering, and racketeering, but federal prosecutors dropped all other charges after Poole agreed to plead guilty to one count of income tax evasion.

In November, Easley pleaded guilty in state court to a Class I felony for violating campaign finance laws. He was sentenced to probation and a \$1,000 fine.

Charges were brought against Easley and Poole because as government officials, receiving improper benefits betrayed a public trust. But recipients require donors, and none of the principal figures who provided those improper benefits have been charged with crimes. Two of the five men profiled below hold active licenses to prac-

tice law in North Carolina. A third has retained his position on a prominent state advisory board.

Court filings and testimony at the State Board of Elections hearings in 2009 provided the following information about five men whom prosecutors declined to pursue.

Randy and Gary Allen

The Allen brothers have developed waterfront communities in North Carolina and other states in the Southeast. In 2005, Randy Allen signed a deed to Easley for a prime lot in the Cannonsgate development in Carteret County. News reports later showed that Easley actually paid \$137,000 less than public records reported.

Poole, who was Easley's general counsel, was involved actively in facilitating environmental permits for four Allen developments: Cannonsgate, Oyster Harbour in Brunswick County, Summerhouse in Onslow County, and Cutter Bay in Pamlico County.

In 2003, Gary Allen made a

\$50,000 donation to the N.C. Democratic Party. In sworn testimony to the elections board, Allen said he understood the donation would be earmarked for Easley's 2004 campaign for governor. That process is against the law. The donation structured by Wilson and Poole was associated with Allen's efforts to secure a permit for a boat ramp at Oyster Har-



Gary Allen

bour.

In June 2005, Easley appointed Randy Allen to a six-year term on the N.C. Wildlife Resources Commission. Easley previously had appointed Gary Allen to the same commission. Randy Allen still serves on the commission.

The Allens were not charged in state or federal court, and the elections board did not fine Gary Allen.

In 2007, Gary Allen made a \$2 million gift to the Kenan-Flagler Business School at UNC-Chapel Hill. At the time, UNC System President Erskine Bowles, who was also an investor in Allen's waterfront projects, called Gary Allen the "rock star of real estate."

McQueen Campbell

Campbell, who also is a pilot, admitted to the State Board of Elections that he provided free airplane transportation for Easley's political campaign committee. The board fined Easley's campaign committee \$100,000 for the unreported flying.

Campbell served as the real estate broker for Easley's 2005 purchase at

Cannonsgate and became the exclusive acquisition agent for the Allen brothers' projects in 2006.



McQueen Campbell

Easley appointed Campbell to the N.C. State University Board of Trustees in 2001 and reappointed him in 2005. Campbell was elected chairman of the NCSU board in 2007. He resigned in 2009 over his role in helping Mary Easley secure a high paying job at the school.

Campbell was not charged in state or federal court, and was not fined by the elections board.

Lanny Wilson

Referred to in court documents

as the "Wilmington financier," Wilson provided short-term financing for some of the Allens' developments. Poole asked Wilson if he also could invest some of his money in Cannonsgate.

Wilson allowed Poole to make no-lose investments in Cannonsgate and Summerhouse. Poole netted \$55,000 a few months after providing funds to Wilson. Poole failed to report the income on tax filings. Boyle referred to the payments as bribes.

Wilson also admitted that in 2004 he gave \$10,000 to the N.C. Democratic Party with the understanding the money would be earmarked for Easley's 2004 campaign, a violation of state law.

Wilson paid for Poole to accom-

pany him on Costa Rica vacations in 2003, 2004, and 2007. In 2005, he flew Poole to New Orleans for a bachelor party and paid for his hotel room. He also threw a separate engagement party for Poole in



Lanny Wilson

Wilmington and allowed Poole to use his beach house.

Easley appointed Wilson to the N.C. Board of Transportation in 2001 and again in 2005. Wilson was also an active fundraiser for Gov. Bev. Perdue's 2008 campaign for governor. After she won election in November 2008, Senate leader Marc Basnight publicly urged Perdue to name Wilson her secretary of transportation. That didn't happen, and Wilson resigned from the board in January 2010, at the same time Poole was indicted.

Wilson was not charged in state or federal court, and the elections board did not fine him.

Douglas Fox

In 2004 Easley appointed Fox chairman of the state Alcoholic Beverage Control Commission, a full-time position. Poole became Fox's point of contact in the governor's office. Through his position, Fox had access to free tickets for concerts at the Walnut Creek Pavilion in Raleigh. Poole asked Fox for free tickets, and Fox provided them.

Poole was married in Staunton, Va., in June 2005. Fox arranged for his father, a U.S. Navy veteran, to travel to South Carolina to purchase approximately \$600 of liquor from a Naval PX store. The liquor then was given to Poole as a gift for use at his wedding reception. Neither Fox nor his father was reimbursed.

Continued as "Corruption," Page 15

Mike Easley and Ruffin Poole Timeline

- January 2005 Mike Easley begins second term as governor.
- March 2006 *Carolina Journal* begins reporting on Easley's personal real estate transactions with a story on the remodeling of his Southport home.
- April 2006 *CJ* reports that Easley received a bargain on a pricey lot in Cannonsgate, a Carteret County waterfront development.
- July 2008 *CJ* reports that N.C. State University gave First Lady Mary Easley an 88 percent pay raise for her job running a speaker's program.
- October 2008 *CJ* reports that Easley donor McQueen Campbell provided free flights to Easley's campaigns for governor. Campbell, chairman of the N.C. State Board of Trustees, brokered Easley's Cannonsgate purchase.
- January 2009 Easley's second term as governor ends.
- February 2009 Federal investigation of Easley begins.
- May 2009 *The News & Observer* begins in-depth reporting on Easley's activities, including his family's use of free cars, a Florida trip, and free campaign flights from Campbell and other donors.
- May 2009 N.C. State Provost Larry Nielsen and Board of Trustees Chairman Campbell step down over controversy surrounding Mary Easley's job.
- June 2009 N.C. State Chancellor James Oblinger resigns over his role in Mary Easley's job. The N.C. State Board of Trustees eliminates the job.
- October 2009 The State Board of Elections conducts public hearings on aspects of Easley's campaign committee and issues \$100,000 in fines for unreported flights.
- January 2010 Easley aide Ruffin Poole is indicted on charges involving bribery, extortion, and money laundering in conjunction with activities involving Wilmington businessman Lanny Wilson, a financier of Cannonsgate. Wilson allowed Poole to "invest" in Cannonsgate, but court documents indicate the transaction was essentially a gift from Wilson to Poole.
- April 2010 Poole negotiates deal pleading guilty to one charge of income tax evasion.
- November 2010 Easley negotiates deal pleading guilty to a state felony campaign finance violation. State and federal investigations are terminated. Easley receives a \$1,000 fine and no jail time.
- May 2011 Poole is sentenced in federal court to 12 months and one day in federal prison, two years supervised release, and a \$30,000 fine.

CJ

Perdue Snubs Alcoa 'Green Jobs' Announcement

Continued from Page 1

projects. Sixty-four of the 91 projects listed investments less than the \$10 million ERI project. Seventy-six of the 91 cited employment projections lower than the 200 jobs at the ERI project. In addition, press releases by the governor's office have touted job announcements as minor as the creation of three full-time jobs at a nail salon in Benson.

Perdue spokeswoman Chrissy Pearson told *Carolina Journal* that the governor had a prior commitment. *CJ* also asked Pearson if the job announcement would affect the state's efforts to take over Alcoa's facilities. "The governor's concerns about the Alcoa situation have not changed," she said.

Commerce spokesman Tim Crowley told *CJ* that Crisco had a scheduling conflict. Crowley noted that two commerce officials did attend the event, though they didn't speak. "I am not aware of any request for the department to make any remarks at the event, but we were invited to the event," Crowley said.

No incentives

Unlike many new companies, ERI is not receiving any special state or local incentives. Alcoa officials coordinated the announcement ceremony, and Alcoa's Chief Sustainability Officer, Kevin Anton, was the first to take the stage.

"Kevin Anton and Alcoa get all the credit for bringing ERI here," company CEO John Shegerian told the 100-person crowd gathered for the event.

Alcoa first contacted ERI in December 2010. ERI has recycling centers in California, Washington, Colorado,



The Electronics Recyclers International operation will be located in part of the former Alcoa aluminum smelting plant in Badin. (CJ photo by Don Carrington)

Texas, Indiana, and Massachusetts, and had considered placing its southeastern regional center in Georgia, Tennessee, and South Carolina before selecting the Badin site in May.

ERI says it eventually will hire up to 200 people to staff a regional recycling facility on the site of an aluminum smelting plant Alcoa operated for nearly 90 years. ERI will be the first tenant in the 123-acre site being developed by Alcoa and now referred to as the Badin Business Park.

ERI will begin operations in a temporary location in the business park in July before moving into a permanent, 165,000-square-foot facility in January 2012. ERI will invest \$5 mil-

lion at the site, and Alcoa will spend an additional \$5 million on building improvements.

Battle over the Yadkin

Alcoa operates the Yadkin Project under a license from the Federal Energy Regulatory Commission. The previous 50-year license was issued in 1958 and Alcoa started the relicensing process in 2002, but administrative and legal challenges from state officials have delayed renewal. Perdue and other takeover supporters, including the Stanly County Commission, believe the state would be a better steward of the water resources, the environment, and the electrical power.

Perdue's strategy relies on convincing the federal government to deny a new license to Alcoa. The federal government would then assume control of the project, giving the state an opportunity to acquire the hydroelectric facilities.

Alcoa's reservoirs, named High Rock, Tuckertown, Badin, and Falls, lie within 38,000 acres of real estate owned by Alcoa Power Generating Inc., a subsidiary of Pittsburgh-based Alcoa. Alcoa bought the land and constructed the hydroelectric dams to supply power to its aluminum smelting plant in Badin. Aluminum production started in 1917 and continued until 2002, when the company shut down most of the operation. All production stopped in 2007.

The hydro facilities continue to generate up to 210 megawatts of electricity that Alcoa sells to other power companies.

FERC likely would have issued a new license to Alcoa if Gov. Mike Easley had not intervened in April 2008. Citing concerns of some local governments in the region, Easley asked FERC to delay issuing a new license until those concerns were addressed. Perdue, Easley's successor, has continued the fight.

In December, the state revoked a water quality permit for the Yadkin Project after it learned of emails between Alcoa engineers dating back several years questioning the effectiveness of a technology used to enhance water quality. (See related story on page 4.)

Federal regulators have put the relicensing on hold until the legal issues, including the controversy over the water quality permit, are settled. *CJ*

Visit our Triangle regional page

<http://triangle.johnlocke.org>



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

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

It also features the blog Right Angles, featuring commentary on issues confronting Triangle residents.

The John Locke Foundation | 200 W. Morgan St., Raleigh, NC 27601 | 919-828-3876

Corruption Charges Stop at Easley and Top Aide

Continued from Page 14

Perdue asked Fox to resign as the ABC chairman in 2009 when a news story revealed that shortly after Barack Obama was elected president, Fox had distributed an email with an altered photo depicting a watermelon patch outside the White House.

Fox practices law in Wilmington. He has not been charged with any crimes.

Law licenses

The North Carolina State Bar is the state agency responsible for regulating the practice of law in North Carolina.

After pleading guilty to a felony last April, public records show Poole consented to an interim suspension of his law license by the Disciplinary Commission of the State Bar. Easley also consented to an interim suspension of his law license after his guilty

plea in November. In each case, the Bar ruling cited that their crimes were a "criminal offense showing professional unfitness."

But professional misconduct does not have to stem from criminal activity. Bar rules state it is professional misconduct for a lawyer to "engage in conduct involving dishonesty, fraud, deceit, or misrepresentation." It is also professional misconduct to "state or imply an ability to influence improperly a government agency or official."

Both Wilson and Fox have active North Carolina law licenses.

State Bar Counsel Katherine Jean confirmed to *Carolina Journal* that Easley and Poole had received interim suspensions, but said it would be improper for her to comment further. She also said it would be improper for her to comment on any other attorneys associated with the Easley and Poole investigations. *CJ*

S.E. Cupp: Conservative Women Are Finding Their Voices Again

By CJ Staff

Feminists should declare victory, then go home. That's one way to summarize conservative columnist and author S.E. Cupp's response to today's radical feminists. She believes their ideas resonate with very few young women today. Cupp explained why during a recent presentation at North Carolina State University. She also discussed feminism with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Cupp: In 1970, Gloria Steinem wrote that the purpose of the women's liberation movement was for men and women to unlearn the popular wisdom that taught us "patriotism means obedience, age means wisdom, woman means submission, black means inferior." If we go by that statement, I think the movement was largely successful.

In 2005, a CBS News poll found that an overwhelming majority of women said their opportunities to succeed in life are better than the opportunities their mothers had. Nearly 70 percent of women said that the movement had made their lives better. OK. So if we believe that feminism has generally succeeded — and I think that women like me, whose world views aren't informed by the angry identity politics of the '60s and '70s, are proof that women's rights have been won — then it's time for the movement's flag bearers to maybe turn their attention elsewhere. But they're not, of course.

Marcia Pappas, who was head of the New York state chapter of NOW, National Organization for Women, said to me, "Women are still not represented in the U.S. Constitution. Men are still not willing to give up their power. They think that giving up power makes them less powerful." That was last year she said that. That's the kind of rhetoric — anti-man, anti-state, anti-family — that lacks the resonance it probably once had. Now it just sounds dated and bitter, and especially to women in my generation. I have to assume to women in [college] as well. I mean, it sounds foreign to me.

Women of my generation, especially conservative women, believe that feminism's ultimate success is that we don't need it anymore. We're women who see any initiative that separates the sexes as sexist, not feminist. We're women who are uncomfortable with being positioned as victims of anything, let alone of our gender. We're women who believe that men are just as qualified to speak about the importance of women's issues as women are — that propping women up by pushing men down is an insult to our fathers and uncles and brothers and mentors and all the men who have helped us along the way.

Kokai: One of your key themes

Women of my generation, especially conservative women, believe that feminism's ultimate success is that we don't need it anymore. We're women who see any initiative that separates the sexes as sexist, not feminist. We're women who are uncomfortable with being positioned as victims of anything, let alone of our gender.

*S.E. Cupp
Conservative columnist
and author*



seems to be that old ideas about feminism are simply out of date.

Cupp: They are. And unfortunately, they're being trotted out as if they're still relevant. And I think the success of feminism is that we don't need it anymore. We should be acknowledging just how far women have come, just how many choices we have. And instead, what I think a lot of militant feminists are doing is spending time highlighting our differences, drawing lines in the sand between conservative women and liberal women — what makes a woman a woman, which women are traitors to their gender. I don't think that advances a productive story line.

Kokai: How do these outdated notions about feminism hurt the effort to improve conditions, not just for women, but for everyone?

Cupp: Well, the message, of course, is, I think, largely defeatist. When you're segregating women, putting the Sarah Palins in one category and the Gloria Steinems in another category and the Hillary Clintons in another category — which is the project of feminism: to segregate women out — I don't think that's empowering. I don't think that's advancing a message of tolerance and equality and equal rights. It's pretty hard to convince people that you want more tolerance when there's an entire demographic of women that you don't consider to be relevant or valid.

Kokai: Do you think there are a lot of women out there who share your conservative ideas but decide not to speak out? They just don't want to hear the criticism?

Cupp: You know, I'm sure there are. I've been really heartened to find so many women of varying ages who are willing to talk about being a strong,

proud, conservative woman. I see it, in particular, among young people. And I think if you look at the evolution of the Tea Party over the past two years, you'd find that a lot of it has to do with women. They're moms who are worried about their kids' future and their grandkids' future. They're worried about their pocketbooks and their checkbooks.

So I think women, and especially conservative women, are really finding their voices again. And I'm sure it's hard for some of them to speak out in very liberal, hostile places. But I live in Manhattan.

You know, I'm in New York City. I'm in a very liberal field in the media. I grew up in, you know, liberal land. I think if I can do it, anyone can do it. I'm not exactly, you know, Rosie the Riveter. You know? I sort of — I'm fairly risk-averse. So I'm not sure that we live in an era where, you know, we have to be all that afraid anymore. I hope we don't.

Kokai: How much of this is an age issue? Are younger women more inclined to speak up and to ignore the criticism?

Cupp: Oh, well, exactly. I think people in my generation and younger grew up without feeling like their gender was a burden or an obstacle, or something they would have to circumvent. I certainly didn't, and I didn't grow up in a privileged kind of, you know, atmosphere.

So I have to imagine that if I never considered being a woman as an obstacle, then most people my age didn't. I'm sure there are exceptions to that, in certain fields, but if that's the case then feminism, I think, has been largely successful and should, therefore, sort of [put the] nail in the coffin — over with, done with. I don't want to have to think of everything through the eyes of a woman. I don't want to see policy

ideas through the prism of my gender identity. I don't think it's relevant, and I don't think we should have to. That's being a slave and a victim to identity politics, and I just don't think it's relevant anymore.

Kokai: Are conservatives going to win this battle over the future of feminism any time soon? It doesn't seem likely that these older feminists will just, as you say, strike the nail in the coffin of feminism.

Cupp: They're going to be working very hard, for years to come, to keep feminism relevant. And, of course, the longer it goes on, the sillier it will look. But, that said, you know, they're always going to co-opt new issues as feminist issues. They've done that with gay rights, for example. Feminists have co-opted gay rights as a feminist issue. I mean, I guess there's some academic point to that. But they're going to do that, you know, with countless issues over the next 100 years, I'm sure. Because again, the point is to remain relevant, and if they don't have anything to complain about, if there aren't any problems, well, they have to invent them or borrow others.

Kokai: Do you have a positive outlook about the direction this debate is going?

Cupp: I really do. Because as jaded as I am, as a 32-year-old, I have to think that the generation behind me is even more cynical, when it comes to the angry identity politics of the '60s and '70s. I have to think it's even more foreign a language, to them, as it is to me. And I have to hope that when they are the people who are in power and running the country, that they'll have very little patience for this kind of race baiting, gender baiting, sexism, misogyny. I hope that that's the case. So I am cautiously optimistic. *CJ*

U.S. News Project Could Put Ed Schools To the Test

By DUKE CHESTON
Contributor

Columnist and author Thomas Sowell once was asked, "If you could snap your fingers and make one big change in the country, what would give you the most satisfaction?" He replied: "Do away with schools of education and departments of education. Close them down."

North Carolina's colleges of education have not been immune from such criticism. A 2010 study commissioned by former UNC system President Erskine Bowles found that Teach for America teachers, who before entering the classroom receive a modest amount of training — and not by colleges of education — ran rings around education school graduates. This suggests substantial room for improvement.

The journalists at *U.S. News and World Report* and the nonprofit education reform group the National Council on Teacher Quality also see room for improvement in our nation's education colleges. They have teamed up to develop a system for rating teacher preparation programs.

But schools of education are fleeing the ratings like water in the Red Sea before the staff of Moses.

In February, 37 education school deans, presidents, and directors sent a public protest letter to *U.S. News & World Report* editor Brian Kelly. Representing schools such as Columbia, Harvard, and Ohio State, they expressed discontent with a number of the project's components, such as NCTQ's unwillingness to disclose the precise details of how schools will be scored.

The turmoil heated up again in April when four state public university systems — New York, Wisconsin, Georgia, and Kentucky — announced that they would refuse to participate voluntarily.

The education college leaders claimed that sufficient standards of quality, primarily the Interstate Teacher Assessment and Support Consortium, already exist. The National Council for Accreditation of Teacher Education, the major accrediting body for colleges of education, relies heavily on these standards in the accreditation process.

NCTQ President Kate Walsh remains unimpressed: "[I]f these standards, first developed in 1992, were go-

ing to have a major impact on the field of teacher preparation, they would have done so by now," she wrote in a letter responding to the criticism.

Arthur McKee, director of the *U.S. News/NCTQ* project, concurred, saying current accountability methods are failing. Accreditation of schools of education is "being done almost entirely by autopilot," he said, referring to a lack of scrutiny.

U.S. News is scheduled to publish results of the review, developed and implemented by NCTQ, in the fall of 2012.

In the review, schools will not be ranked as in other *U.S. News* comparisons, but assigned a letter grade (A, B, C, D, or F) based on 17 standards. For each standard, one or more indicators will clarify how a school can meet that standard. For example, a student teacher must be "observed at least five times at regular intervals during the semester" to satisfy the standard for student teaching. How each standard and indicator will be scored, however, has not been released.

One of NCTQ's primary areas of focus will be determining whether elementary education programs are teaching the most effective methods of reading instruction. Sometimes called the "science of reading," these methods focus on phonemic awareness, phonics, fluency, vocabulary, and comprehension strategies. Many schools of education largely neglect them.

In response to uncooperative public colleges, NCTQ officials say they will use public records laws to obtain the documents they seek, such as student-teacher manuals. For uncooperative private schools, such as Wake Forest University's education department, where public records laws don't apply, reviewers will make an estimate based on available data. "The review is most definitely going to proceed," McKee said.

Though controversial, many reformers see the review as a step in the right direction. "If it accomplishes nothing else," offered John Stone, president of the Education Consumers Foundation, "the *U.S. News/National Council* for Teacher Quality rankings will shine a much-needed light on what colleges of education are doing." CJ

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

COMMENTARY

Where Are The Conservatives?

In April, for the fourth year, I attended the annual meeting of the Association of Core Texts and Courses in New Haven, Conn. Every year the focus of this meeting is teaching "core texts." Those are the literary and philosophical works of the past — in other words, the classics.

Think of "core texts" as the Great Books of Western civilization plus those from other cultures and newer works that haven't yet been designated as "great."

The faculty attending this meeting expect their students to read works themselves, not just short snippets or excerpts from a textbook. They come to the meeting to learn more about how to teach these often difficult works more effectively — and to share their appreciation of them. Attendees gave papers on "core texts" from works of Aristophanes, Shakespeare, Mark Twain, and Kurt Vonnegut, to name just a few from dozens of sessions.

I relish every moment of these conferences, but each year, I ask myself, "Where are the conservatives? Where are the classical liberals?"

One of the goals of conservatives today is to maintain and restore a "core curriculum" in our colleges and universities. The faculty attending ACTC meetings are teaching the kind of curricula that conservatives are trying to protect.

But at these meetings I rarely find members of conservative groups that I know revere the classics and support core courses — organizations such as the Philadelphia Society, the American Council of Trustees and Alumni, and the National Association of Scholars. I have never seen the leaders of these organizations at a meeting.

Typically, when I return home each year and mention ACTC to faculty friends or colleagues at these organizations, I get blank stares (or the email equivalent). They observe that the conference sounds like something worth paying attention to, but hardly any of them do.

This year was a little different. I was delighted to come across

a few scholars who share my focus and viewpoint. They too want to retain the corpus of Western thought and its contribution to liberty. And a board member of the National Association of Scholars was there. But the involvement of conservatives and classical liberals was limited.

I have to admit that conservatives qua conservatives (people deliberately labeling themselves as such) might not be welcomed with open arms by ACTC. Some conservative groups have "an agenda," an ACTC board member told me.

From its inception, ACTC has been careful to emphasize that it focuses on "core texts" or "world classics," not necessarily those of Western civilization. J. Scott Lee, the executive director of ACTC, says that the organization is "a professional, liberal-arts educational association providing a forum for faculty and administrators to discuss the content of 'world clas-

sics' within curricula of commonly taken courses in undergraduate liberal-arts degrees."

In other words, ACTC is not trying to force the teaching of Western civilization, as the more conservative organizations seem to want. But it is supporting classics! ACTC's great contribution is to encourage faculty to keep the careful reading of outstanding books of the past an integral part of undergraduate education. Reading classics is under attack throughout the country. ACTC is fighting that.

The rest of us should support ACTC — by attending their meetings, networking there, and contributing our own thoughts where appropriate.

ACTC's goals are our goals. If we support the careful reading of Western classics (that is, Great Books programs), we should support and cooperate with ACTC. The classics are a legacy for all of humankind, and they should be protected and shared, by conservatives and liberals alike. CJ

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



JANE SHAW

Campus Briefs

Commencement speakers from selected North Carolina colleges and universities:

- Appalachian State University: Dee Freeman, Secretary, N.C. Dept. of Environment and Natural Resources

- Campbell University: Barbara E. Walker, M.D.

- Duke University: John Chambers, CEO, Cisco Systems

- East Carolina University: Ray Mabus, U.S. Secretary of the Navy

- Elon University: Joan Higginbotham, former NASA astronaut

- Guilford College: Wildlife biologist Susanna Paisley

- High Point University: Lance Armstrong, professional cyclist

- Johnson C. Smith University: Winnie Madikizela-Mandela, South African activist

- Meredith College: Vice Adm. Sally Brice-O'Hara, U.S. Coast Guard

- Methodist College: Holly Petraeus, Office of Servicemember Affairs

- N.C. A&T State University: Dr. Randal Pinkett, president and CEO, BCT Partners

- N.C. Central University: U.S. Rep. John Lewis, D-Ga.

- N.C. State University: James E. Rogers, CEO, Duke Energy

- North Carolina Wesleyan College: U.S. Sen. Richard Burr, R-N.C.

- Peace College: N.C. Rep. Deborah K. Ross, D-Wake

- St. Andrews Presbyterian: U.S. Sen. Richard Burr, R-N.C.

- Saint Augustine's College: Maj. Gen. Ronald L. Bailey, U.S. Marine Corps

- Shaw University: Bob Etheridge, former U.S. representative, D-2nd District

- Southeastern Baptist Theological Seminary: Phil Ange, Pastor, Liberty FWB Baptist Church

- UNC-Asheville: Tom Ross, president of the UNC system

- UNC-Chapel Hill: E.O. Wilson Jr., professor, Harvard University

- UNC-Greensboro: Thomas S. Haggai, CEO, IGA Inc.

- UNC School of the Arts: Alan Mencken, composer

- Wake Forest University: Indra K. Nooyi, CEO, PepsiCo

- Western Carolina University: Tom Ross, UNC president

- Wingate University: David Burris, "Survivor" producer

- Winston-Salem State University: Stephen A. Smith, media personality

CJ

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

Value Of a Degree? Probably *Not* a Million Bucks

By JENNA ASHLEY ROBINSON
Contributor

RALEIGH

Over the past year, education scholars have started to talk about a "bubble" in higher education. The bubble (if it exists) could burst if people decide that the value of a college degree is worth less than it costs — just as many people discovered that the value of the homes they owned was less than they were paying.

But how does one value a degree? One often-cited claim is that college graduates earn over their working lives a million dollars more than high school graduates do. But is that true? And whatever the number, is its value increasing in tandem with the cost of tuition? The answer in both cases is probably no.

Mark Schneider of the American Enterprise Institute has concluded that the average lifetime earnings advantage for college graduates is well below a million dollars. As the second graph shows, factoring in the cost of a college education and the wages that students give up while in school, the lifetime earnings advantage for college grads ranges from \$150,000 at open-admissions schools to \$500,000 at selective private schools.

And the premium isn't consistent across industries or employees; the Census Bureau's 2009 Current Population Survey shows that 20 percent of individuals making less than \$20,000 per year have bachelor's or master's degrees. Recent graduates, age 24 and under, are experiencing a jobless rate of nearly 10 percent.

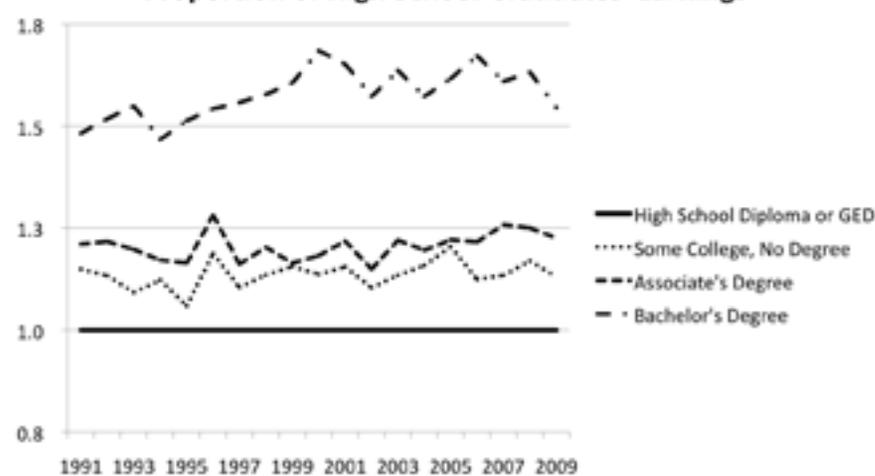
Even more problematic for future generations: The gains from college aren't growing over time. As the first graph shows, in 1991, young workers with bachelor's degrees earned, on average, 1.48 times the amount earned by those with only high school diplomas. Young college graduates' earnings peaked in 2000 at 1.68 times that of high school diploma-holders then declined to a ratio of 1.54 to 1 in 2009. (Keep in mind that the price of tuition increased nearly 300 percent over this period.)

Moreover, evidence is increasing that university students aren't learning much. According to the National Assessment of Adult Literacy, only 29 percent of four-year college graduates read at an advanced level. And since 1993, college graduates' scores on literacy exams have declined an average of nine points (out of 500) across all categories. College graduates' ability to read prose declined 11 points.

In a new book, *Academically Adrift*, sociologists Richard Arum of New York University and Josipa Roksa of the University of Virginia show that nearly half the university students surveyed show little to no academic progress by their sophomore year.

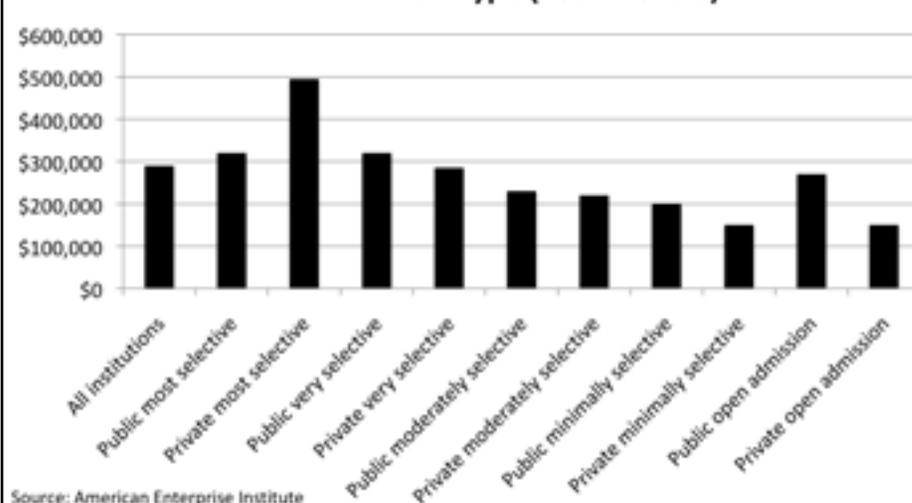
And it's no wonder. According to researchers Philip Babcock and Mindy Marks, today's students study only 14 hours per week outside of class — compared with 24 hours in 1961.

Average Earnings of Full-Time Workers Age 25-34 as a Proportion of High School Graduates' Earnings



Source: U.S. Census Bureau, Current Population Surveys, 1992-2010

Lifetime Earnings Advantage, Adjusting for Tuition, By Institution Type (2003 Dollars)



Source: American Enterprise Institute

The figures show that, right now, a bachelor's degree remains a good option for many students. However, as prices continue to rise and gains in academic achievement and lifetime earnings stagnate, the bubble — the

discrepancy between cost and value — may inflate further. CJ

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



Looking for the perfect college?

The Pope Center for Higher Education Policy can assist you with its new, interactive website, NC College Finder.

Visit today!

NCCollegeFinder.org

Visit the Pope Center online at popecenter.org for higher education news.

Opinion

By Our Measure, UNC System Professors Are Not Overworked

How much do university professors actually work? Opinions vary. Many academics insist their standard workweek is roughly 50 hours, while members of the public have heard about professors with six-figure salaries who teach a single three-hour course per week for eight months of the year — and shake their heads in disbelief.



JAY SCHALIN

The question is not just one of idle speculation.

Improving faculty productivity could reduce public university budgets significantly in a time of government belt-tightening. Making professors teach, on average, just one more course every two years — a 10 percent increase in productivity — could save North Carolina taxpayers close to \$100 million annually.

Because of this enormous potential for savings, the Pope Center conducted an exploration into faculty teaching loads.

This is not the easiest thing to do. Professors' full work loads are complex and individual. Their duties include grading, research, meeting with students, administration, and more — with many activities having uncertain demands on a professor's time. To reduce the complexity, we focused solely on the number of actual classes taught per semester.

Actually, we created two measures of the same thing — one high and one low — to provide a range rather than a single statistic that unintentionally might be biased one way or the other.

Even after eliminating all nonteaching duties, many arbitrary decisions still must be made: such as different types of classes requiring different amounts of teacher involvement, different types of faculty, and different types of universities.

All in all, we tried to err on the side of simplicity, and on the side of generosity to the faculty. So what did we find?

We discovered that teaching loads are a lot less than the UNC system's own measure of 3.37 classes per professor per semester. Our high (lenient) measure yielded 2.68 classes per professor per semester system-wide, while our low (more restrictive) measure yielded 2.03.

Averaging the high and low measures yields 2.36 classes per professor per semester, almost exactly one class per semester lower than the 3.37 figure. (You can find the complete report at PopeCenter.org.)

We drew some important conclusions. For one, some schools may have a problem enforcing teaching work load standards. UNC-Asheville is not a research university; professors there are expected to teach four



classes per semester. But the averages for two departments are only 2.67 and 2.42. These results are even lower than those for Appalachian State University (3.26 and 2.35), where professors

are required to teach three classes per semester.

Even when a department achieves its legislated standard, many professors are underutilized. In UNC-Chapel Hill's English department, six professors taught only one lecture class. Another five professors did even less — their entire teaching load for an entire semester was supervising one doctoral dissertation.

Another problem is that humanities professors currently face the same standards as their scientific colleagues. Professors at top research schools teach only two courses per semester, because they ostensibly perform valuable research that advances useful knowledge, often with economic implications.

Research in the humanities and many of the social sciences is not as equally "useful" as that produced in technical and scientific subjects. Professors in non-technical areas should teach more.

An example is UNC-Greensboro's nursing department. UNC officials have warned for several years of a shortage of nursing faculty, yet Greensboro has low teaching loads

in its nursing department — between 2.22 and 1.72 classes per professor per semester. This relatively light load is tolerated even though most health care research is conducted by faculty in other disciplines, such as biochemistry and medicine.

UNC's standards for teaching loads reflect an era of rapid growth in academia, when funding was plentiful and competition for top academic talent was intense. But that rapid growth is unsustainable.

Furthermore, many reasons cited for professors' light teaching loads are valid no longer. The market for faculty has changed; rapid growth has caused overproduction of Ph.D.s in many disciplines, and the competition from private industry has diminished.

Every public higher education system in the nation is undergoing the same pressures. Nationally, faculty wages are likely to fall, teaching loads are likely to increase, unprofitable research is likely to lose importance, and talented faculty are likely to be more available for the next few years.

This is the dawn of a new era in higher education, in which traditions and standards developed a long time ago — when only a small percentage of the population attended college — must be cast aside in order to educate greater numbers of students more efficiently.

It's time to reorder teaching loads (and monitor and enforce existing regulations) according to these new demands. CJ

Jay Schalin is senior writer for the John W. Pope Center for Higher Education Policy (popecenter.org).

Do universities really make the local economy stronger?



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

Topics include SAS in Cary, Silicon Valley in CA, Route 128 corridor in MA, and Research Triangle Park in NC.

To receive a free copy, call **919.828.1400** or email info@popecenter.org.



Visit the Pope Center online at popecenter.org for additional reports and studies

Why don't colleges post syllabi?

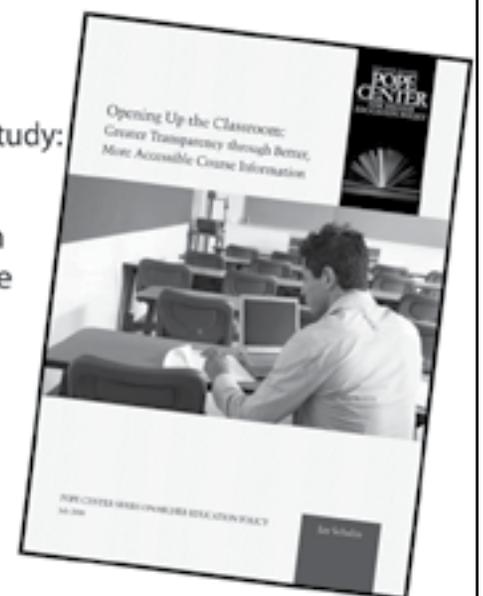
They should, says a Pope Center study:

"Opening Up the Classroom: Greater Transparency through Better, More Accessible Course Information," by Jay Schalin

To receive your free copy, call 919.828.1400 or email info@popecenter.org.



Visit the Pope Center online at popecenter.org for additional reports and studies



From the Liberty Library

• *Treason of the Heart* is an account of British people who took up foreign causes. Not mercenaries, then, but ideologues. Almost all were what today we would call radicals or activists, who identified with oppressed or faraway people and took it upon themselves to promote them.

Some genuinely hated their own country, however, and saw themselves promoting abroad the values their own retrograde government was blocking. The book deals with those like Tom Paine who saw American independence as the surest means to hurt England; the many who hoped to spread the French revolution and then have Napoleon conquer England; historic characters like Lord Byron and Lawrence of Arabia who fought for the causes that brought them glory; and those who took up Communism or Nazism. More at www.encounterbooks.com.

• James Buckley may be the only American alive who has held high office in each branch of the federal government. As such, his comprehensive understanding of how Washington works equips him to address authoritatively the intrusive growth of the federal government and illuminate such diverse issues as judicial activism, environmental regulation, the place of religion in public life, energy policies, campaign financing, and women's rights.

Freedom at Risk tells us why government is incapable of managing an economy, and why the transformation of the federal government into a centrally administered welfare state is undermining the most critical safeguard the Founders had written into the Constitution, namely the principle of federalism. Learn more at www.encounterbooks.com.

• Consider Facebook — it's human contact, only easier to engage with and easier to avoid. Developing technology promises closeness. Sometimes it delivers, but much of our modern life leaves us less connected with people and more connected to simulations of them.

In *Alone Together*, MIT technology and society professor Sherry Turkle explores the power of our new tools and toys to alter our social lives dramatically. It's a nuanced exploration of what we are looking for — and sacrificing — in a world of electronic companions and social networking tools. More at www.basicbooks.com. CJ

Book review

Essays an Important Boost to the Cause of Liberty

• Anthony de Jasay, *Political Philosophy, Clearly: Essays on Freedom and Fairness, Property and Equalities*, Indianapolis: Liberty Fund, 2010, 347 pages, \$24.

BY DOUG BANDOW
Contributor

One of the great myths of society today is that life is too complex to leave unregulated. Liberty was fine for a simple agrarian society a couple of centuries ago. But now we need the state to manage human affairs.

In fact, experience demonstrates that it is even more important to rely on the decentralized decision making of the marketplace as society grows more complex. The commissars had a passable chance of figuring out how to make steel. Creating an advanced industrial economy in the midst of the information and other technological revolutions is beyond any human's ability.

French economist Anthony de Jasay explores the ability of individuals to organize their affairs privately, often through conventions rather than laws. The essays collected in this volume span a broad array of issues, but de Jasay emphasizes the importance of distinguishing recognizable reality from normative pronouncements. Some of de Jasay's essays make for difficult reading; he is capable of turning a nice phrase, but the subject matter discourages stylish writing. However, the substance is worth the effort.

He begins the book with a frontal attack on two traditional precepts of classical liberals: the social contract and constitutionally limited government. The basic problem, he contends, is "confusion between 'ought' and 'it.'" The theory of what he calls "the fictitious social contract" logically results in far more government than originally desired. "There is an obvious potential gain to the government or, to be pedantic, the persons in charge of it, from exceeding this mandate, and the means are available for doing so," he explains.

The means are evident in the failure of constitutional paper guarantees to constrain effectively the growth of government. The liberal ideal "irritates" him, he writes, since "it makes it seem that the writing of a constitution of liberty is a plausible means for transforming the normative ideal into positive reality." Alas, this is easier said — or thought — than done.

Not all is bad news, however. De Jasay's very detailed discussion of rules and government indicates that limits sometimes are respected, but often for idiosyncratic reasons. "Unreasoning, even plainly unreasonable, standards can effectively limit government if they are widely followed," he notes. "For about a century and a half before Keynes' General Theory became common currency for the literate and the semiliterate, it was widely believed that repeated deficits in the state household were mortally dangerous, liable to lead to the country's ruin, and to be countenanced only in desperate circumstances." During this period governments were constrained to balance their budgets. No longer, however.

De Jasay's determination to separate idealism from reality is evident in his discussion of justice and liberty. It is believed widely that laws can be unjust. So he contends with such basic questions as where justice comes from and how we recognize it, as well as the relationship of liberty, property, and equality.

But he never forgets that we are dealing with imperfect human beings and processes. He writes with characteristic bluntness: "Liberty shares with justice the dubious honor that most collective abuse of the individual, from regimentation to harassment to spoliation to mass killing, has been committed in the name of one or the other and sometimes both at the same time, the better to assure us that abuse is really a worthy deed on behalf of the common good in pursuit of the values all right-thinking people must share. Taking the names of liberty and justice in vain, whether out of political cynicism or muddle-headedness, has always been done with remarkable impunity."

The question of rights and "rights" attracts de Jasay's attention. This is another highly complicated complex of issues. He bluntly asserts that "liberties are not rights, and rights are not liberties." He sorts through wrongs, conventions, claims, rules, presumptions, duties, obligations, morality, consequences, and rights, and how all of them relate to "liberties."

These questions matter because claims of artificial "rights" very often turn out to conflict with natural liberties. De Jasay explains: "Modern rule-making rules, notably those dependent on building voting coalitions, display a propensity for conferring new rights and extending old ones. They also seem to permit the imposition of the corollary obligations with almost surreptitious ease. The resulting proliferation of rights is widely regarded as a sign of progress and generosity. However, it is careless thought that lets the corresponding shrinkage of freedom

go unnoticed."

He does not spend all of his time in the philosophical clouds. He also looks at nationalism in the context of the European Union. In the case of Great Britain, he argues, nationalism has performed a salutary role, encouraging resistance against the tendency toward continental political consolidation.

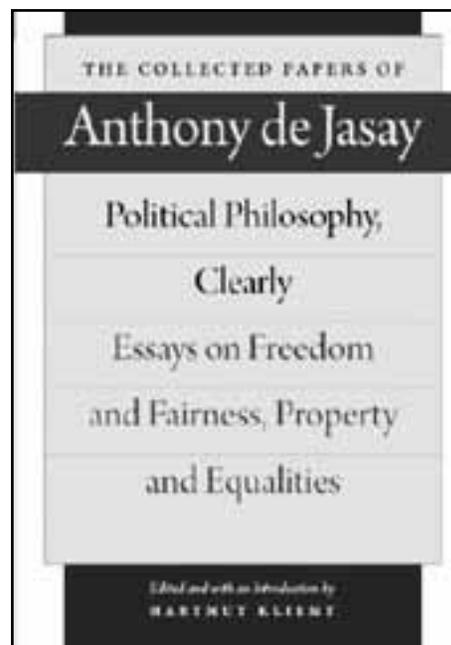
Nevertheless, politics does not always operate rationally. Writes de Jasay: "the electorate does not decide on the balance of reasons. In great national questions, it is gut feelings that count, not intellectual arguments. And the gut feeling is that not for nothing is Britain an island." Americans have much the same sensible gut reaction against turning sovereignty over to transnational organizations such as the United Nations.

The European Union also provides a malign example when it comes to antitrust enforcement. De Jasay refuses to allow "public servants" to get away with their public-spirited rhetoric:

"Clearly, much progress has been made since the mid-20th century, especially in the demolition of barriers to foreign trade. Nevertheless, if fostering competition is a serious concern of the political authorities, it is upon exogenous barriers to entry that they should focus, for it is here that they are most likely to do some good and least likely to waste their efforts, let alone do inadvertent damage, by misdirected zeal."

Politicians fight over policies, but those policies are shaped by broader public philosophies. It is these philosophies Anthony de Jasay ably dissects and explains. His thoughtful writings give an important boost to the cause of liberty. CJ

Doug Bandow is a Senior Fellow at the Cato Institute.



N.C.'s Archibald MacLaine: One of the Noncelebrity Founders

People nod in agreement when I state the obvious: More than five or six men were founders of the United States of America.

Few can name more than a couple additional founders, however.

Men such as Alexander Hamilton, Thomas Jefferson, James Madison, Benjamin Franklin, and George Washington are the usual suspects. These "celebrity founders" and their ideas seem to be the only ones consulted by the curious.

To be sure, the men on our one-dollar, two-dollar, and 10-dollar bills were important, and their political judgments were significant during the 1780s. Only the foolish researcher would ignore the "celebrity founders" when considering the meaning of the founding and the Constitution, as these men later served valuable roles, including president and secretary of the treasury.

But the opinions of the "celebrity founders" were not the be-all and end-

all during the Constitution's drafting and during the ratification process that lasted from 1787 to 1789. During those two years, other leading personalities were just as famous, respected, and influential.

In North Carolina, some of the leading opinion makers included James Iredell Sr., Hugh Williamson, William Barry Grove, William Davie, David Caldwell, Willie Jones, and Samuel Spencer.

Another one, Archibald MacLaine (1728 -1790), deserves to be remembered.

The Irish native of Scottish descent moved to America as a 21-year-old. In the 1750s, he became a merchant and an influential barrister in Wilmington. He later became an influential supporter of the ratification of the U.S. Constitution and one of the original trustees of the University of North Carolina.

Throughout his life, he expressed an unwavering belief in law and order and reliably demonstrated a willingness to stand in the minority for issues that he supported. In 1766, he protested the Stamp Act. Almost a decade later, he called for a Provincial Congress and served as a representative when North Carolina withdrew

from Great Britain.

After the Revolutionary War, he represented Tories who had property confiscated by the North Carolina government. For his efforts in a Bladen County courtroom, MacLaine was once assaulted while defending a Loyalist. A witness attacked MacLaine with a "horseman's sword," and a riot then erupted. MacLaine suffered serious injuries and later recovered.

Under the pen name *Publi-cola* (meaning friend of the people), MacLaine published *An Address to the Freemen of North Carolina* (1788). The Wilmington Federalist doubted that most of his political opponents understood the text of the Constitution. He also claimed that his Antifederalist opponents were a reactionary, diverse lot lacking a unifying reason to oppose the Constitution.

Antifederalist motives, in particular, alarmed MacLaine. He wrote that the Constitution's opponents, operating from economic and private interests, were intent "to poison" minds regarding supposed flaws within the document; its adoption, for one, threatened state leaders' authority. There were genuine disagreements, the lawyer pointed out, but the honest were misinformed. In sum, MacLaine

labels sincere Antifederalist arguments as "weak" and the self-centered ones as "dishonest."

One of his many arguments was that a new form of government was necessary: "Our present form of federal government (for it is no more) is the only one in the known world altogether without energy."

"Something more than a bare federal union is necessary," reasoned MacLaine, "to make us a great and respectable nation." He knew that many would not want to give more power to the national government, so MacLaine explained that constitutional restrictions would be placed on the national government and that states would maintain much sovereignty. The new government would be "partly federal, and partly national."

In North Carolina, the Wilmington lawyer worked alongside other leading Federalists, including James Iredell, to convince the state eventually to ratify the Constitution.

MacLaine did not live long afterward. He passed away on December 20, 1790. CJ

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



TROY KICKLER

Stay in the know with the JLF blogs

Visit our family of weblogs for immediate analysis and commentary on issues great and small



The Locker Room is the blog on the main JLF Web site. All JLF employees and many friends of the foundation post on this site every day: <http://www.johnlocke.org/lockerroom/>



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



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



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



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

www.johnlocke.org

YOUR HOME ON THE WEB FOR NORTH CAROLINA PUBLIC POLICY

Creating your own personal **Key Account** at www.JohnLocke.org is a great starting place for tracking the critical public policy issues facing North Carolina.

Each day, your **Key Account** searches a comprehensive database of JLF reports, briefing papers, news articles, press releases, and events notices to display timely information about the issues of your choice. It's an excellent tool for those drafting legislation, researching policy issues, preparing news stories, planning political or lobbying campaigns, or seeking information with which to be an informed voter and citizen.

Visit www.JohnLocke.org and create your personalized **Key Account** today!



Short Takes on Culture

Book Shows Tyrant Bloodlust

• *Bloodlands: Europe Between Hitler and Stalin*
By Timothy Snyder
Basic Books

The Second World War was the most lethal conflict in history. About half of all soldiers' deaths in that war occurred in the fertile area from central Poland to western Russia, including the area of Ukraine, Belarus, and the Baltic states.

But the lives of which Timothy Snyder writes in *Bloodlands* are not those lost in military combat. His story is about the wholesale murder of powerless civilian populations. They were women, children, the old, the "unfit," and the infirm. These deaths took place in that contested ground that Snyder has dubbed "the bloodlands." He calls his book "a history of political mass murder."

The period from 1933 to 1945 during which both Stalin and Hitler rose to power in Europe witnessed the systematic annihilation of 14 million people, residents of lands coveted by both the Soviet and the German regimes. Of the 14 million who perished there, more than half were starved to death deliberately. Others were shot; some were gassed.

Victims lost both life and dignity. Some of the deepest horrors of starvation included cannibalism, a desperate attempt to postpone death by those still clinging to life.

In a civilized world, these events are unimaginable. Yet they were executed dispassionately in the name of Communism and Marxism. This subject matter is hard to read, but the historical events are necessary to know and to comprehend.

— KAREN PALASEK

• "Thor"
Directed by Kenneth Branagh
Paramount Pictures

Stirring epics about Thor, the Norse god of thunder, abound. Most are filled with excitement and action, but Marvel's movie is not one of them. Instead, "Thor" is a mediocre movie about an alien who loses his powers and must regain them to save the universe. This movie is doomed to waste away in stores, passed over for much better superhero movies because it weighs itself down in clichés.

Chris Hemsworth does a good job playing Thor, able to portray both the cocksure god and the humbled mortal, and Natalie Portman delivers the best performance of

the movie as the love interest. Tom Hiddleston gives the worst performance; his contrived act as Loki falls completely flat.

Usually in a movie such as this, the plentiful action carries it. Surprisingly, there were few fight scenes or battles. The best fight sequence of the movie doesn't involve anything superhuman and is simply a man skillfully beating down everyone in his path.

This sparseness of action puts focus on the dialogue, unfortunately. Any scene set in Asgard or Jötunheim is filled with stiff dialogue, and every line Loki utters is a bust. Thankfully, the conversations on Earth are more enjoyable.

"Thor" does have some good moments, many of which come as he adjusts to his mortality. The visual effects are quite good, and the scenic backdrops can be breathtaking. Final verdict? Don't see "Thor" in theaters. Wait until you can stream it.

— MICHAEL VUKE

• *Miss Julia Rocks the Cradle*
Ann B. Ross
Viking

Once again in *Miss Julia Rocks the Cradle*, North Carolina writer Ann B. Ross delights readers with the antics of Miss Julia and her small-town cronies. Those who live in a small town will recognize many of the types of people and all of the idiosyncrasies associated with small-town living.

In *Miss Julia Rocks the Cradle*, readers are returned to Miss Julia's small town, located somewhere 30 miles from Asheville.

In this latest book, the perpetual busybody Miss Julia promises her husband that "she will stick to my own knitting and not get involved with the problems of everybody else," but of course that promise ends when a dead body is found in a tool shed near Miss Julia's house. That leads to the hilarious late-night escapades of Miss Julia. It also leads to a rift between Miss Julia and her beloved second husband, Sam, who moves back to his former home.

Adding to the drama, the long-awaited birth of an acquaintance's twins happens during a raging snowstorm in Miss Julia's genteel Southern living room.

Miss Julia books are a fun and easy read. Ross' book dedication says it all: "This one is for those who talk about, laugh with, share, recommend, buy, borrow, and read the Miss Julia books."

— MELISSA MITCHELL CJ

Book review

Chosen A Small But Powerful Book

• Morris Glass and Carolyn Murray Happer, *Chosen for Destruction: The Story of a Holocaust Survivor*, Raleigh: Media Consultants Inc., 2011, 151 Pages, \$14.95.

BY MELISSA MITCHELL
Contributor

Chosen for Destruction is the personal story of Morris Glass, a Polish Jew and a Holocaust survivor who was imprisoned by the Nazis from 1940 until he was liberated in May of 1945. Along with 3 million other Polish Jews, 39 members of Glass' family died. Only Glass, his brother, and a first cousin survived.

Co-authors Morris Glass and Carolyn Happer — a retired history professor at Meredith College — use a unique method to present Glass' story. His words are italicized, backed by Happer's supporting documentation. As I learned as a student in her history class at Meredith, Happer is not just a history teacher — she is a scholar and presents a mountain of documentation confirming the memories of Glass.

Happer states, "The destruction of Morris' family and the other victims of the Nazis did not happen in a vacuum," and traces the roots of anti-Semitism from the era of the Crusades in the late 1000s to the Holocaust.

This is not just the story of Glass' survival; it is story of the murder of 3 million Polish Jews. More Polish Jews were murdered than any other Jewish population in any other country, even Germany.

Americans are aware of the death camps like Auschwitz, but many do not know of the horrific conditions in the ghettos where Jews were imprisoned and died from starvation and disease. For Morris' family and other Polish Jews, each move from ghetto to ghetto and finally to Auschwitz increased the move toward death.

In the first ghetto, Pabianice, he encountered hunger, disease, filth, fear, and death. The second, Lodz, added exhausting work and cold. The move to Auschwitz and the work camps moved hunger to starvation and death

on what Morris calls "an unimaginable scale."

On May 16, 1942, the Pabianice ghetto was liquidated, and every Jew had to leave home. They were marched down Warsaw Street to a large field where trucks took them to Lutz and Chelmno. Of the march, Glass says, "It was terrible — a nightmare, a hell. I watched the SS snatch infants from the arms of mothers and toss them into a pile, a pile that seemed to grow into a mountain as more and more babies were thrown on it."

The story of Glass' father's death left me in tears. Glass notes, "The work camps was where I encountered the most vicious and sadistic guards."

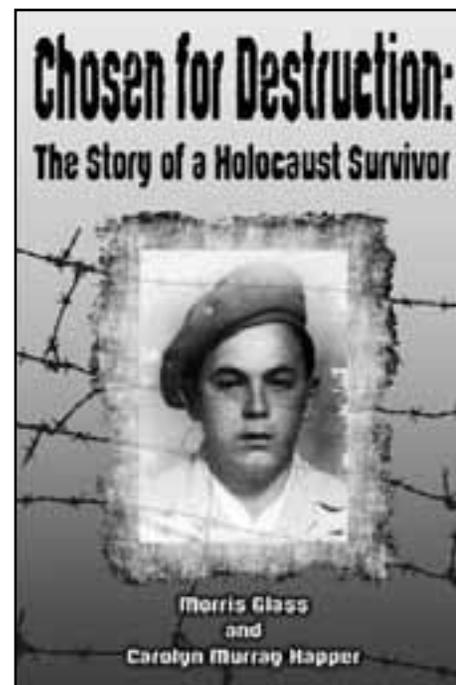
By this time, his father was too weak to work, but he refused to go to the sick bay because he knew he would die there. He stayed behind in the block when the others went to work. While they were gone, Glass tells how a guard named Talens "would beat my father below the heart and lungs in such a way that there were few marks." Glass tells how after his father's death guards extracted his father's gold teeth while his body was still warm.

Because Glass went to help bury his father without asking permission, he also was beaten. He called this the lowest point in his life.

Although I knew Morris Glass survived, I could not put the book down. The book left me in tears and angry. I wondered how so many people could commit these atrocities and how so many citizens of these countries turned a blind eye to what was happening.

The few survivors of the German concentration camps are now in their 80s and 90s. With this in mind, it is imperative that stories like Glass' be heard, so that future generations will understand that millions of innocent Jews were tortured and murdered, especially since there are Holocaust deniers and individuals continue to join neo-Nazi groups.

The details of Glass' personal story are shocking. It is a small, but powerful book — one of the best I have read in the last several years. CJ



Movie review

Farewell To 'The Most Interesting American,' Theodore Roosevelt

• Edmund Morris, *Colonel Roosevelt*, New York: Random House, 2010, 784 pages, \$35.

BY HAL YOUNG
Contributor

Theodore Roosevelt was called many things during his lifetime and in the years since. Biographer Edmund Morris observes at one point that Roosevelt is “easier to document than explain,” and as “The Most Interesting American” (an earlier historian’s title), he is difficult even to document in a short compass.

After leaving the White House in 1909, Roosevelt resumed the military title he earned in Cuba, and *Colonel Roosevelt* is the final volume of Morris’ Pulitzer-winning trilogy, a hefty but entertaining conclusion to a 20-year project totaling more than 2,500 pages. Covering just the last 10 years of the subject’s life, this 784-page book reads like a Greek tragedy, portraying the amazing influence Roosevelt wielded, his hunger to play an active role again, and his frustration as he was denied even the chance to die in battle. It’s a story worth reading in full, endnotes and all.

At the height of his presidential power, Roosevelt declined a run for a second full term, stepping aside in favor of his devoted vice president, the loyal but flaccid William Howard Taft. To let his successor win his spurs, Roosevelt departed for Africa to hunt big game, but during his journey, word trickled in from adherents at home: Taft was bungling it, and Roosevelt’s agenda of progressive reforms was slipping through his successor’s inept

fingers. Yet Roosevelt was determined to finish his safari and honor the commitments afterward — a tour of European capitals as the guest of emperors, kings, academicians, and the pope.

Returning from months of popular acclaim and whispered confidences from heads of state, he received a hero’s welcome — and calls to do something to get the president either back on track or out of the way. Roosevelt is one of the few American presidents who realistically could have staged a coup d’etat, but as Morris notes, he was intrigued by power but never corrupted by it.

Morris traces the rise and fall and rise again of Roosevelt’s popularity, through the fortunes of the Progressive Party, a pair of court cases, and a Brazilian expedition that nearly killed the aging adventurer. He continued his legendarily strenuous life — at one point, giving a campaign speech in 1912 from blood-stained notes with a would-be assassin’s bullet still lodged in his chest.

As the decade wore on and Europe collapsed into war, Roosevelt’s writing and speaking moved from his earlier social progressive stance to militarism, calling with increasing stridency for President Wilson to stand against the German threat to American lives. He even fought to recruit and lead a division of volunteers into France, promising to die in battle

(surely a temptation to administration officials he badgered), but he was denied.

Roosevelt called for historians to abandon their dust-dry styles for a more lively narrative, and Morris follows his subject’s advice in detail. He draws on Roosevelt’s own autobiographical work and correspondence to paint vivid scenes of inner thoughts and feelings, a creative method which drew deserved criticism for Morris’ biography of Ronald Reagan, though he seems to stay close to the emotions documented by onlookers and the subject himself this time.

As in previous volumes, Morris again is too dismissive of the spiritual side of Roosevelt, though. As a paragon of the “muscular Christianity” popular at the turn of his century, and an exemplar of “family values” in high positions, Roosevelt is a favorite in evangelical circles, but was he one himself? Morris thinks not. “Apart from a few clichés of Protestant rhetoric, the gospel he preached had always been political and pragmatic,” he writes, saying he lacked the piety of his wife Edith and any capacity for devotion, and seizing on any remark which suggests a humanistic outlook.

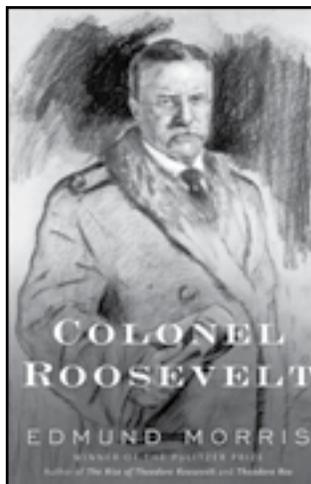
On the other hand, our views of what public religion looks like are shaped by several events since Roosevelt’s death, such as the fundamentalist movement, the charismatic awaken-

ing, and Moral Majority. Where Morris is skeptical, others hear faith, though it’s expressed in conventional terms more common to TR’s Dutch Reformed upbringing.

Oddly, Morris gives little space to the legacy of the 26th president. Is it the Panama Canal? The National Park System? Expanded executive powers or America as the world’s peacekeeper? Morris is mum. For conservatives, much of Roosevelt’s political power was exerted in the wrong direction, and while he correctly predicted our future troubles with Marxist socialism, Islamic terrorism, and Prussian militarism, he seemed unaware of the likely impact of his domestic agenda. As charismatic leaders often do, he failed to provide an adequate successor and structure to continue his program once he left the stage.

Still, Theodore Roosevelt managed to capture and embody the most diverse collection of American traits seen in one man. Morris ends the text with a pretty feeble encomium of the massive subject, “a fulfiller of good intentions.” Much better, if slightly inaccurate, was the governor of Martinique, who called him a rare, almost unique example of a political person who is not a politician, of a man of action who is at the same time a man of thought, of a public speaker who does not speak unless he has something to say; of a writer who knows how to fight and a warrior who knows how to write. And all this with a frank gaiety, a lack of pomposity that seduces the humblest and impresses the most powerful.

In some ways, that seems to capture the best of the country he served, too. CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business

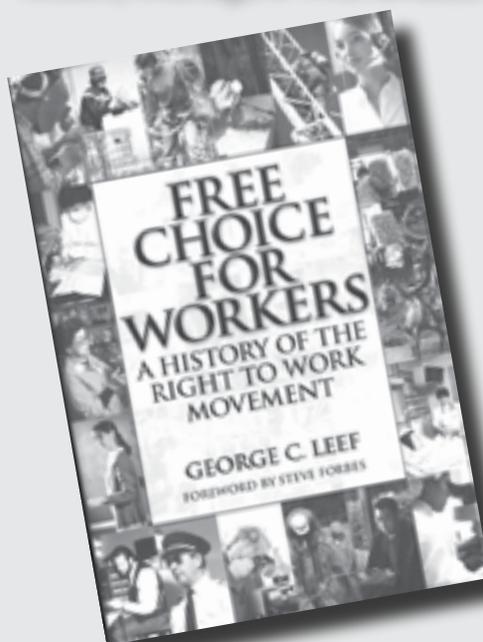


“[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended.”

Choice
April 2006

www.praeger.com

Free Choice for Workers: A History of the Right to Work Movement



By George C. Leef
Vice President for Research at the
John William Pope Center for Higher
Education Policy

“He writes like a buccaneer... recording episodes of bravery, treachery, commitment and vacillation.”

Robert Huberty
Capital Research Center

(Call Jameson Books, 1-800-426-1357, to order)

COMMENTARY

Problem Not Lack of Spending

As state budget negotiations continue, everybody's talking about education.

With 55 percent of the state's revenue dedicated to education, it will be affected by any cuts to the budget.

In a down economy, it is important that every dollar be well-spent. But even more important is the state constitution's guarantee of our "right to the privilege of education, and it is the duty of the State to guard and maintain that right."

What we are seeing is a difference in how the governor and the new leadership in the General Assembly intend to carry out that duty.

In K-12 public education, 25 percent of North Carolina students do not graduate from high school. Of those who do, over half must take remedial classes at community colleges or universities. We rank 43rd in the nation for graduation rates.

The National Council on Teacher Quality gives North Carolina a D+. Mediocre and even poor teachers are paid the same as the best teachers. Longevity is rewarded while competency is not.

But yet Gov. Bev Perdue, the North Carolina Association of Educators (the teachers' union), and many on the Left claim we have to protect our "investment" in education. The governor insists on taking even more money from hardworking North Carolina families to fund a system that is not working.

The problem is not a lack of spending. Since 1993, average per pupil spending in North Carolina has increased 82 percent. In the last 10 years, the student population has increased 10.5 percent while education spending during that same time has increased 42 percent.

Over the last 20 years, teacher salaries have more than doubled and significantly outpaced inflation while other state employees' salaries have increased 53.5 percent.

Perdue proposes spending \$7,747 per student to continue doing the same things, or as she says, "protecting the mainstay of the economy." The General Assembly proposes spending \$7,459 per

student, a difference of less than \$300. But the bigger difference that the Republicans propose is reform, what they call "building a path to better education."

They would raise the number of required instructional days from 180 to 185. To increase accountability and ensure good teachers are paid well, they would create a merit-pay plan that could begin in the 2012-13 school year.

The teachers' union insists on protecting mediocrity over innovation, chafes at innovation, and runs from competition. For Perdue, protecting the mainstay of the economy is more about protecting the mainstay of her political machine.

In 2008, NCAE and the national teachers' union, NEA, contributed \$1.8 million to elect Perdue. During the 2010 election cycle, 99 percent of their contributions went to Democratic candidates. Last month, Perdue

traveled to Washington, D.C., for a fundraiser hosted by the founder of the Education Voters of America and the Education Funders Strategy Group — both big advocates of a progressive agenda — and the executive director of the National Education Association. Minimum admission to the event was \$2,000.

The governor intends to extend a temporary sales tax to protect every teacher and teacher assistant job (or veto any budget that doesn't) and has been on a statewide "education works" tour to convince citizens that raising taxes will help the economy and create jobs. However, two recent studies show that the expiration of the temporary sales tax increase would create 11,734 jobs in 2012 and 11,195 jobs in 2013.

As the budget negotiations narrow, it may come down to a standoff between the governor, who has a real interest in keeping things as they are, and a new General Assembly promising to reform government fundamentally. CJ

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



BECKI GRAY



EDITORIAL

Putting Limits On Grass-Roots Tyranny

The level of government that's closest to the people doesn't always protect our rights. From busybody local planners to school board members enamored with nonsensical fads in education, countless examples of what libertarian litigator Clint Bolick has called "grass-roots tyranny" remain. City councils and county commissions continue to violate property rights and saddle residents with ruinous debt and high taxes. Thankfully, the Republican-led General Assembly has made several moves limiting the coercive powers of local governments.

Several key bills reining in grass-roots tyranny either have passed the General Assembly or appear to be headed in that direction. The issues include:

- Municipal broadband. House Bill 129 will, among other things, prevent city-owned high-speed Internet services from operating at a loss and issuing debt without getting voter approval. The measure should prevent a repeat of the debacle in Davidson-Mooresville, where the city cable system lost more than \$5 million last year. The bill became law even though Gov. Bev Perdue refused to sign it.

- Involuntary annexation. House Bill 845 passed the House 107-9 and was in the Senate at press time. It would force cities seeking hostile annexation to provide water and sewer service at no charge, and allow homeowners in an area targeted for annexation to stop it if 60 percent sign a rejection petition.

- Land transfer tax. House Bill 92 repealed the statute allowing counties to put a 0.4 percent tax on the sale

of homes or land. Perdue signed the law in March.

- Special elections. About the only way to pass a local tax increase is to schedule an unusual election date, when turnout will be low and tax hike supporters are more motivated to vote. House Bill 366 would allow special elections only on primary or general election dates. It passed the House 69-44 and was in the Senate at press time.

- Billboards. Senate Bill 183 would expand "cut zones" — the perimeters limiting vegetation around billboards. Outdoor advertisers claim that local tree ordinances have obscured the views of one-fifth of the billboards in North Carolina. The latest version of S.B. 183 would maintain 250-foot cut zones on city streets and expand them to 340 feet on urban freeways and 380 feet on rural highways. At press time, the bill seemed sure to reach Perdue's desk.

- Eminent domain. House Bill 8 is a proposed constitutional amendment barring cities from using eminent domain for economic development. This would prevent a government from seizing private property and giving it to another private owner. It passed the House 98-18 and would need at least 30 votes in the Senate to go before voters next year.

Advocates of limited government may worry that the General Assembly is trying to concentrate power in Raleigh. But the politician or bureaucrat taking away your freedom could be located in Washington, D.C., Raleigh, or just down the street. A government that's close to home can still refuse to get off your lawn. CJ

EDITORIALS

Consensus Tax Cut

A rare point of fiscal agreement

In the raucous debate over North Carolina's fiscal future, Gov. Bev Perdue and Republican leaders in the General Assembly agree on a key point: North Carolina's corporate income tax is burdensome, complex, and harmful to the state's economic growth.

In the budget plan she released in February, Perdue proposed reducing the tax on corporate income to 4.9 percent, down from the current 6.9 percent. The budget plan passed by the North Carolina House assumes a similar reduction in the corporate tax rate.

Both parties argue that reducing North Carolina's corporate tax rate would make the state more competitive and encourage modest job creation. Moreover, the corporate tax violates basic principles of simplicity, neutrality, and liberty.

Corporations are not people. They are best thought of as a bundle of contracts among various and changing groups of people, including shareholders, employees, vendors, and consumers. To tax "corporate" income is to reduce the incomes of these individuals, to a greater or lesser degree depending on how responsive they are to changes in the tax burden.

The corporate tax violates the principle of simplicity precisely be-

cause this issue of tax incidence is so complicated. Although some apparently believe that "corporate income" taxes are borne solely by rich executives and shareholders, recent research suggests that workers pay the largest share of the tax in the form of lower wages — because among the parties to the corporate contract they are the least mobile.

The corporate tax violates the principle of neutrality because it favors debt over equity in business decisions. Because shareholders pay tax twice on returns from their investment — first at the corporate level and then again at the individual level — the tax code creates an artificial incentive for managers to borrow rather than raise money through stock offerings.

Finally, the corporate tax violates the principle of liberty because it serves to increase the overall tax burden — and thus reduces the ability of North Carolinians to keep and spend what they earn.

To reduce the size, scope, and cost of government, we should be shrinking the tax code and confining taxes to a smaller number of transparent levies.

The more voters know about how much income they surrender to the government, the less amenable they are to future tax hikes. *CJ*

Conspiracy Theories

They find a home on the Right and the Left

Despite the recent release of the long form of Barack Obama's Hawaii birth certificate, some on the Right continue to be fascinated with various theories purporting to show why Obama does not meet the constitutional prerequisites to be president of the United States.

Some of these theories will live on, just as myths about the Kennedy assassination, fake moon landings, Elvis sightings, and the accuracy of *The New York Times* continue to persist despite copious evidence to the contrary.

Some of the Left are also vulnerable to imagined conspiracies. They question the legitimacy of the election of George W. Bush and Dick Cheney — not just the controversial election in 2000 but also their 2004 re-election, supposedly stolen from John Kerry and John Edwards by skulduggery in Ohio. Behind every conservative cause, legislative victory, or political success, they see the hands of shadowy corporate villains.

But back in 2006, a poll by Ohio

University tested the extent of public support for several other conspiracy theories:

- Nearly 40 percent of respondents, and more than half of Democrats surveyed, said it was "very" or "somewhat likely" that Bush and other federal officials either perpetrated the 9/11 attacks or allowed them to happen to justify a war in the Middle East.

- About 40 percent of respondents also said they suspected "officials in the federal government were directly responsible for the assassination of President Kennedy," and a similar percentage said that "the federal government is withholding proof of the existence of intelligent life from other planets."

Somewhere in the neighborhood of one-third to one-half of Americans seem to be willing to give some credence to conspiracy theories when talking to pollsters on the phone. How many of those respondents are joking is anyone's guess. *CJ*

COMMENTARY

The N.C. Budget, Explained for 5th-Graders

Are you smarter than a fifth-grader? Not if you believe Gov. Beverly Perdue's claim that the budget plan passed by the North Carolina House would result in a mass layoff of 30,000 government employees.

By fifth grade, most students have mastered basic reading and math. As such, they would not have committed the egregious errors that led the governor and her staff to make such a ridiculous claim. Instead, they readily would have discerned the critical differences between positions lost and people laid off (reading) and between gross and net (math).

Even Perdue recognized the differences when she announced her budget plan earlier this year. She said that her General Fund budget of \$19.9 billion would result in the elimination of 10,000 positions, but that most of these either were unfilled or could be accounted for by annual attrition. Around 3,000 employees actually would lose their jobs, the governor said, representing nearly a third of the total number of positions lost.

Similarly, Republican House leaders say their \$19.3 billion General Fund plan likely would reduce government positions by about 18,000. Accounting for positions currently unfilled and projected attrition, however, the actual number of employees laid off wouldn't be more than about 7,000, or a little over a third of the total positions lost.

Sound familiar?

Now, North Carolina voters may find this dispute odd. If both sides grant that their plans would damage the state's economy, throwing thousands of additional people into the ranks of the jobless, why adopt either of them?

The impact of taxes. Some liberals assert that taxes don't affect the private economy. They would go even further than Perdue — not just by extending most of the sales-tax hike enacted in 2009, but also by imposing higher income taxes, broadening the sales tax, or boosting excise taxes on cigarettes and alcohol. They see government as a

magical job-creation machine, all gain and no pain.

But if you think that, you are not as smart as a fifth-grader. As my own fifth-grader, my youngest son Andrew, recently reported to me, his class has been studying natural science. They understand the idea that, as the song goes, "nothing comes from nothing, nothing ever could." Just as governments employ

people when they spend money they take in taxes, households and businesses employ people when they spend the money they earn in the marketplace.

The net effect of a state budget on a state economy requires thinking about changes in both spending and taxation. While both the Perdue and Republican budget

plans would slash the corporate tax and allow the income tax surcharges first enacted in 2009 to expire, the Republican plan also lets the sales-tax increase expire. Perdue would continue that sales-tax hike for another two years. The GOP plan also anticipates other income-tax relief not included in the Perdue plan.

These are consequential differences. A study commissioned by the John Locke Foundation found that the Republicans' tax package would create 15,000 private-sector jobs next year. Even after subtracting the 7,000 public-sector layoffs, their budget plan is a net job creator.

Perdue's smaller package of tax cuts, however, would yield about 4,400 private-sector jobs. Her plan would have only a small net effect on North Carolina employment.

A separate study of the economic impact of the Republican tax package, released in April by three researchers at the UNC-Chapel Hill business school, projected 16,000 new jobs in 2012 and 19,000 by 2013.

Disagree with these studies if you wish. Offer an alternative. But if your estimate of the number of jobs lost by extending the sales-tax hike is zero, then you are not smarter than a fifth-grader. *CJ*



JOHN HOOD

John Hood is president of the John Locke Foundation.

LETTER TO THE EDITOR

Global TransPark
Remains Viable Concept

In reading my May edition of *Carolina Journal* I was drawn immediately to the editorial "Global TransPark: Busted!" With your upfront assessment that GTP was a "foolhardy" project, I knew that the rest of the article would need some scrutiny.

Having followed the Global TransPark project from its inception, to its now struggling state, some points are in order. The first and most obvious comparison to the Research Triangle Park should be made. RTP also had its detractors, and today is a success and an economic engine for the Piedmont. RTP was saved by investment from Northern Telecom, then IBM.

GTP was poised for a huge success. When FedEx was looking for a new distribution center, the Triad was able to swing the decision away from Lenoir County by using its legislative clout to get planned improvements to U.S. Highway 70 defunded.

The Global TransPark remains a viable concept, needing only a major investor such as Boeing to ensure that the project can really take off.

GTP has been held back because it has not gotten the access it needs to major commercial routes. The rail routes remain unbuilt and the highways unfinished. The completion of the Greenville Southwest Bypass will put four-lane, interstate-quality U.S. Highway 264 on the edge of Lenoir County. As for railroads, I could type several pages naming the past, present, and available rights of way that made Kinston a manufacturing hub in the last century. Also, there is an easy connection from GTP to the active shortline railroad that serves the port of Belhaven.

I do not feel the editorial was ignorant, just uninformed.

Charles H. Farley
Greenville

The writer is director and Down East spokesman for North Carolina Rails-Trails Inc. Board.

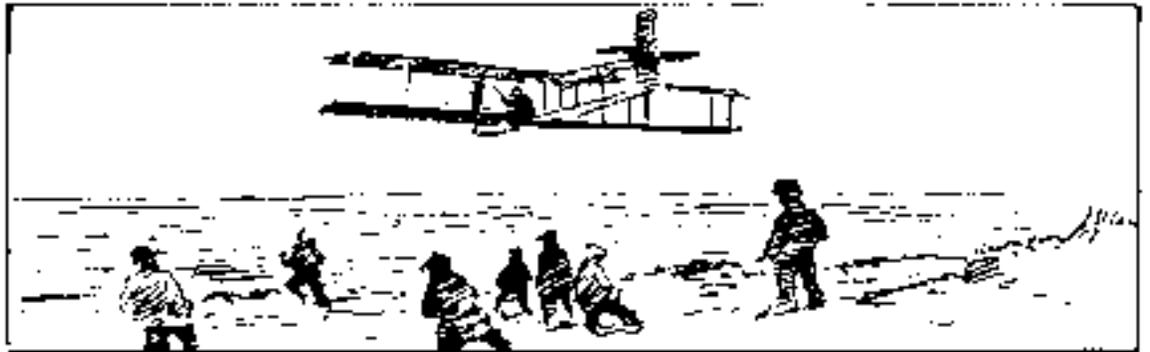
EDITORIAL BRIEFS

Spain's Green
Energy Push

Spain has been widely touted as a leader in renewable energy. The reality is markedly different, however, from what advocates of green jobs claim, writes Kenneth P. Green of the American Enterprise Institute.

In 2009, Gabriel Calzada Alvarez and colleagues at the Universidad Rey Juan Carlos released a study calculating the costs of Spain's green energy push. They found that since 2000, Spain has spent €571,138 for each green job it created. The cost per job created in the wind power industry was over €1 million. Making matters worse, the green energy push has destroyed more than 110,000 jobs elsewhere in Spain's economy. CJ

1903... NORTH CAROLINA... A WHOLE NEW INDUSTRY TAKES OFF!



2011... SOUTH CAROLINA... A WHOLE NEW INDUSTRY IS GROUNDED!



The Economy's 'Significant Six'

Attempting to predict the future is an endeavor that may have gone on since the beginning of time. We want to know next week's weather, the next "American Idol," if our favorite team will win the championship, and where the stock market is going.

As a professional economist who travels the state, I'm asked my share of "fortune-telling" questions. Perhaps the best help my colleagues and I can provide is identifying the factors behind the economic future.

So what factors will steer tomorrow's economy? I think there are six factors — indeed, I dub them the "significant six." Here they are.

Education and training:

All the economic studies of the last several decades indicate that people, states, and nations with higher levels of education and superior training earn more and have higher standards of living. Brains trump brawn. Rather than a weapons ("arms") race, we are in a "head race" for the best and brightest work force attracting the top-paying and most exciting jobs.

Technology: Technology may well be the economic game changer of the future, just as it has been in the past. Whenever there have been massive changes in the economy, technology usually has been behind them. Today's computers and smart phones are giving unprecedented flexibility in how and where products are made and delivered.

But what is next — that's the scary thing — technology may be the most unpredictable of the "significant six." Whatever it is will be a big determinant of what we do and earn.

Demography: If people are economic power, then demography may be the most fundamental of the six factors. Two issues in many of today's societies are the rapid aging of the population and the increasing "dependency rate" — the ratio of the very young and very old to the working-age population. Determining ways to allow workers to support the young and old — while still maintaining work incentives — is a tall, but necessary, order to achieve.

Energy and natural resources: Increased worldwide population and economic growth are expanding the use of conventional energy resources such as oil and natural resources like basic commodities and water. Experts predict these pressures will continue. There's no question that regions and countries will be forced to adapt. The adaptation will be a combination of more frugal and efficient use of the conventional and natural resources, the development of technologies to achieve "more from less" from these resources, and the creation of alternative resources to take the place of the increasingly scarce ones. Regions and countries able to make these adaptations will have a more positive economic future.

Global markets: It's a cliché, but a correct one, to say the economic world has shrunk. With the emergence of modern technology — air travel, cell phones, and the Internet — we're effectively closer to our world neighbors than ever before.

For companies and workers, the growing world market has pluses and minuses. On the plus side are more potential growth and sales. But on the negative side are more competitors who can come to your turf and take away customers and sales! To compete, countries and regions will have to stay on their collective toes in education, training, technology, and efficient use of resources (in effect, all of the above!).

International geopolitical relations: Although this factor is definitely "above my pay grade," it nevertheless is still crucial to our economic future. This factor refers to the political and military position of the U.S. compared to key countries and regions in the world. It encompasses what we spend on national security, our strategic world alliances, and our possible world "flashpoints." Business owners and investors dislike uncertainty intensely, but geopolitical relations are fraught with them. Nothing could send the stock market plunging like a "hot war" involving the United States in some foreign theater.

If you can predict trends in the significant six successfully, you'll know the economic future! CJ

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



MICHAEL
WALDEN

Leave Business Progressivism to History Books

Has government made North Carolina great? That's the spin coming from Gov. Bev Perdue, General Assembly Democrats, their allies in the left-wing interest groups, and even some of the journalists covering the Capitol. Those mean old Republicans want to savage public services, forcing us to live in mud huts and forage for nuts and berries.



RICK HENDERSON

At least that's the liberal/establishment perspective, as noted by *News & Observer*

columnist Rob Christensen in a May 15 piece titled "N.C. spent, thrived." The story goes that in the 1920s, while our neighbors in Dixie were building a manufacturing base by offering "low wages, low taxes, and no unions," Tar Heel State leaders also said no to unions while luring outside capital with public spending on roads, schools, and cultural amenities.

North Carolina's highway system drew raves from Italian fascist dictator Benito Mussolini, Christensen noted. (Is that a source of civic pride?) And our roads department was so well run that the Kingfish, Louisiana Gov. Huey Long, raided it to staff his

own highway department. (Insert joke about providing corrupt cronies here).

One historian called this philosophy "business progressivism," and as Christensen wrote, "it has dominated the state's political ethos ever since."

And that's the problem. As North Carolina has remained fixated on a nearly century-old philosophy of economic development, our neighbors and competitors have chosen policies more in tune with today's dynamic economy. They understand (better than our leaders) that taxes come from the profits generated by hard work, smarts, commerce, and entrepreneurship.

Other states in the region also have invested in transportation networks, public research universities, and cultural resources. But they have kept taxes lower and regulations less invasive. They've maintained and expanded a commercial base by providing an environment that welcomes private enterprise.

In the Tax Foundation's 2011 State Business Tax Climate Index, North Carolina finished 41st nationally, the worst score of any state in the former Confederacy. As Tax Foundation researchers reported, entrepreneurs take note of high-tax environments. "Business taxes affect business decisions, job creation and retention, plant location, competitiveness, the transparency of the tax system, and

the long-term health of a state's economy," the study said.

Consider the individual components of this formula:

Public education, mainly higher ed. The UNC system should be a source of bragging rights. And it's one of the top four or five public university systems in the nation. But having top-notch public universities tells you nothing about the economic health of the state. Our rivals include California, Michigan, and Texas. And look at them. California is imploding. Michigan is emptying. Texas remains robust, but that's because, unlike its peers, the Lone Star State has kept taxes low and regulations under control.

Entrepreneurs in the knowledge economy value an educated work force and strong research institutions. They prefer making money over both.

Cultural amenities. North Carolina is home to first-rate music, dance, and theater groups, and terrific performance centers. Over time, though, local elites have viewed entertainment facilities (wrongly) as economic engines.

Too many recent additions are merely white elephants, like the Sparta Teapot Museum, the Randy Parton Theatre, the NASCAR Hall of Fame, and every publicly financed sports arena. Entertainment venues may generate commercial activity

in the neighborhoods they operate, but the vast majority are money pits rather than cash cows.

Roads. Highways are the primary way we reach our homes, jobs, schools, and loved ones. They're the main avenues of business travel, recreation, and commercial transportation. Carefully managed and maintained, roads are sound public investments.

Problem is, today's progressives see highways as so 20th century. They drool over high-speed passenger rail, which would require billions of dollars in debt for construction and millions more in annual subsidies for operations and maintenance, and would not reduce congestion.

Satisfying the fantasies of rail lovers diverts money that would go to much better use building and improving highways ... or staying in taxpayers' pockets.

For the first time in decades, North Carolina's legislative leaders seem to understand that governments do not create or generate wealth. They redistribute it.

This change in philosophy has the state's longtime movers and shakers in an uproar. And when the best-known supporters of "business progressivism" are the likes of Benito Mussolini and Huey Long, you know the establishment is grasping. *CJ*

Rick Henderson is managing editor of Carolina Journal.

Mr. President, Illegal Immigration Is No Joke

With all that's been transpiring in this country — such as the failed presidential candidacy of Donald Trump, the devastating tornadoes, or the horrendous floods — not to mention the killing of Osama bin Laden — some of you may have missed the not-so-subtle nuances in the speech President Obama gave on his trip to El Paso, Texas.



MARC ROTTERMAN

In his remarks, the commander-in-chief proclaimed that "the border has never been safer."

The president went on to say that "the fence is now basically complete."

He concluded his remarks by saying:

"So, here's the point. I want everybody to listen carefully to this. We have gone above and beyond what was requested by the very Republicans who said they supported broader reform as long as we got

serious about enforcement. All the stuff they asked for, we've done. But even though we've answered these concerns, I've got to say I suspect there are still going to be some who are trying to move the goal posts on us one more time.

AUDIENCE MEMBER: *They're racist!*

THE PRESIDENT: *You know, they said we needed to triple the Border Patrol. Or now they're going to say we need to quadruple the Border Patrol. Or they'll want a higher fence. Maybe they'll need a moat. (Laughter.) Maybe they want alligators in the moat. (Laughter.) They'll never be satisfied. And I understand that. That's politics.*

Yep, that's politics, Mr. President, and no one who actually watched or reviewed your speech took it to be more than 2012 campaign spin, designed to reconnect with Latino voters. It was overtly political and for the most part not based in fact.

It's time for a reality check. Five years ago, legislation was passed to build a 700-mile, double-layer fence along the southwest border.

To date, according to the Department of Homeland Security, just 5 percent of the double-layer fence is complete — only 36.3 miles.

And according to the Government Accountability Office (GAO, the investigative arm of Congress), during Mr. Obama's tenure only 4.3 miles of double fence has been constructed. This is woefully inadequate.

Perhaps Obama should check in with the folks on the front lines who recently testified to the House Homeland Security Subcommittee on Oversight.

Consider the testimony of law enforcement officials, such as McAllen, Tex., Police Chief Victor Rodriguez, who stated, "We have incursions every day. We have people who are afraid to go out on their property." Zapata County Sheriff Sigifredo Gonzalez said, "It's not more secure than it's ever been — it's more violent."

And finally this we have this statement from Col. Steve McGraw, director of the Texas Department of Safety: "The bottom line is that it's not secure. There's been a proliferation of organized crime in Texas. The crime data cited by Obama and [Homeland

Security Secretary] Janet Napolitano only proves the border 'is not secure.'"

In February, the Associated Press reported that more than 35,000 people have been killed in drug-related violence since the Mexican president launched a military offensive against drug gangs in December 2007. And that violence is spilling over into the United States, resulting in the deaths of innocent Americans. Not to mention the massive influx of drugs over the border and the social costs associated with drug use.

Several other points are worth mentioning.

We should never forget that we are a nation of laws and that those who enter illegally are starting off on the wrong foot by penalizing those who play by the rules.

Finally, we are a nation at war with radical jihadists who want to kill Americans. Knowing who's coming into this country only makes sense.

So, Mr. President, please: Take border security seriously.

It's no laughing matter. *CJ*

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

Poole's Bodyguards Inspire Blackwater Founder (a CJ parody)

BY MERSEY NARY
CJ Security Editor

RALEIGH

The no-nonsense manner in which a group of hard-faced men went about keeping the media away from former Gov. Mike Easley aide Ruffin Poole at his criminal sentencing hearing last month has inspired a well-known employer of tough guys to start a new business.

Erik Prince, the billionaire founder of Blackwater Worldwide and current builder of an 800-man mercenary army for the United Arab Emirates, now thinks indicted-public official protection is a good racket to get into.

"Watching the video of those guys running interference for Ruffin Poole gave me the idea," said Prince, in an interview from an unknown location in Abu Dhabi. "I don't know who they were, but they were naturals, I can tell you."

One member of the Poole protection squad especially impressed Prince.

"There was one guy who was carrying a phone book," Prince said. "Now, the general public might wonder to themselves why someone would be carrying the Yellow Pages when their job is to fend off the media. But, to me, that shows the brilliant creativity of this guy because, you see, a phone book is a weapon that doesn't look like a weapon. It has heft and mass and can be used to knock a photographer or a reporter on their keister without even swinging it very hard."



Ruffin Poole, wearing a red-striped tie, leaves the federal courthouse in Raleigh on May 17 surrounded by a group of blue-suited protectors, including one carrying a phone book. (CJ photo by Don Carrington)

Some in the media speculated that the steely-eyed bodyguards were members of Poole's college fraternity, or maybe golfing buddies. But Prince doesn't think so.

"I've been around professional tough guys all my life, and these guys seem to have had some training somewhere," he said. "I don't know if they learned it in the military or in media relations for Mike Easley, but they sure showed they know how to stiff-arm the press."

Poole was sentenced to a year in prison on May 17 for hiding a \$30,000 profit he made on a sweetheart real estate deal using his political position.

From the moment of his arrival at the Terry Sanford Federal Building in Raleigh that day, pushing and shoving were the order of the day.

Poole started by pushing past a photographer on his way into the building, and his phalanx of muscle continued in that vein as they attempted to screen anyone going into the courtroom.

"I heard about that tactic," said Prince. "That was a master stroke. Because of the way they were dressed, in dark suits and power ties, they looked like FBI guys or at least federal marshals."

Their ploy worked for a while

until one reporter figured out what was going on and said, "You aren't the boss of me. I'm goin' in."

Poole's group of protectors then tried to take up all the seats in the courtroom, using a large group of people on hand for just that purpose.

After the sentencing, as the group left the courtroom, things got even more physical. Cameramen were pushed, reporters were shoved, and at least one reporter was challenged by one of the black-suited squad to "bring it on."

When told of this particular incident, Prince said that was the only thing that didn't impress him.

"I liked the single-minded effort to get Poole and his wife in and out of the courtroom using subtle physical force," he said. "But resorting to grade-school playground taunts is not our cup of tea. It's just not professional."

So far, no news reporters have been able to identify the members of Poole's protection squad. Prince says he has several investigators working on those identifications.

"I want to meet these guys and see if they are interested in putting together a bodyguard unit for indicted public officials," Prince said. "Our first contract will be that French guy who headed the IMF. I think he's going to need some protection at his rape trial."

Prince said he would like to hire Poole's men. "If anyone knows who these pros are, please call my friend Don Carrington at the *Carolina Journal*, 919-828-3876. CJ

ANNOUNCING RETREATS OF THE APPALACHIAN INSTITUTION, AUGUST, 2011

FEATURING LECTURES BY OUTSTANDING SCHOLARS, WITH UNIQUE INSIGHTS INTO WESTERN SOCIETY TODAY:

August 15-19
The Age of Atlantic
Revolutions, 1775-1825

August 22-26
The Majesty
Of the Law



Retreats are held at Lake Logan Center on a beautiful mountain lake in the cool Balsam Mountains, 35 miles west of Asheville. Add to the morning lectures a wide variety of afternoon sporting and learning activities, evening entertainment, all meals and lodging and the company of amiable companions and you've got a summer vacation with a workout for your mind and a lift for your life! Join us!

The educational focus of the Appalachian Institution is to understand and appreciate the heritage of western civilization, and the challenges and opportunities confronting it in our own time.

For more information, go to <http://www.appalachianinstitution.org> or call 919-604-4624.

The Appalachian Institution is a non-profit 501c(3) educational corporation