

Bill would deny admission to 'not lawfully present' /3



CAROLINA JOURNAL

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

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STATEWIDE EDITION

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'Unnamed Source' Paid for Perdue Flight

DA Willoughby says other people may be charged

BY DON CARRINGTON
Executive Editor

RALEIGH

When a Wake County grand jury indicted Robert Lee Caldwell of Morganton last month for obstruction of justice for his involvement in a 2007 campaign flight for Gov.

Bev Perdue, it mentioned that "cash from an unnamed source" was used to pay for the flight.

According to the indictment, Caldwell solicited a check from Morganton barber James D. Fleming to pay for the flight and then reimbursed him with cash from the "unnamed source." Fleming's check



Gov. Bev Perdue

THE JURORS FOR THE STATE UPON THEIR OATH PRESENT that on or between December 1, 2007, and January 25, 2008, in Wake County, the Defendant named above unlawfully, willfully and feloniously did, in secret and with malice, and with deceit and intent to defraud, obstruct public justice by engaging in a pattern of behavior that deceived the treasurer of the Bev Perdue Committee(Committee) and caused him to file campaign reports with the North Carolina Board of Elections(Board) that were not true and correct, as he was required by law to do. This behavior was part of a scheme in which the Defendant solicited and accepted a check for a campaign contribution to the Committee from James D. Fleming (Fleming) and reimbursed Fleming in cash from an unnamed source for the contribution. The check was used to pay Profile Aviation for airplane travel for the Committee and was reported to the Committee treasurer as an in-kind contribution from Fleming when in fact the defendant knew Fleming was not making the contribution and that the contribution came from another unnamed source. By arranging and causing an illegal contribution to be made and falsely reported, the Defendant concealed the true nature of the transaction and the identity of the source of the funds from the Committee, the treasurer, the candidate and the Board, deceiving them and thereby obstructing public access to the information that the Committee and the treasurer were required by law to disclose, and also concealing the Defendant's illegal campaign activity. This act was in violation of the Common Law and against the peace and dignity of the State.

The one-paragraph Feb. 8 indictment of Robert Lee Caldwell twice references an unnamed individual as the source of the funds to pay for a 2007 campaign flight for then-Lt. Gov. Beverly Perdue. (CJ graphic, underlines added)

was used to hide the actual source of the funds, the indictment states.

The unnamed source, which the indictment makes clear was someone other than Caldwell, has not been identified, and Wake County District Attorney Colon Willoughby told *Carolina Journal* his investigation of Perdue's numerous unreported flights is ongoing and other people may be charged.

Records from the Perdue campaign obtained by the State Board of

Elections show that Morganton businessman Charles M. "Mike" Fulenwider and his wife Joella were aboard the airplane with Perdue and her husband Bob Eaves on the Dec. 8, 2007, flight. Also aboard was Raleigh attorney Robert Zaytoun, co-chairman of Perdue's 2008 campaign for governor.

According to the Feb. 8 Wake County grand jury indictment of Caldwell, he "unlawfully, willfully and feloniously did, in secret and

with malice, and with deceit and intent to defraud, obstruct public justice by engaging in a pattern of behavior that deceived the treasurer of the Bev Perdue Committee," causing the treasurer to file false campaign reports and obstructing public access to correct information about the Perdue campaign committee.

Reached at his Charlotte office Feb. 23, Caldwell's attorney, Henderson Hill, declined to comment.

Marc Farinella, spokesman for the Perdue campaign, told *CJ* the campaign became concerned about the flight involving Caldwell after seeing it noted in a 2010 elections board investigative report. "We did make inquiries to get to the bottom of the information presented in the State Board of Elections report," Farinella said. "The people we sought to talk



Perdue spokesman Marc Farinella

Continued as "Unnamed," Page 14

Audit Confirms TransPark's Huge Debt

BY DON CARRINGTON
Executive Editor

RALEIGH

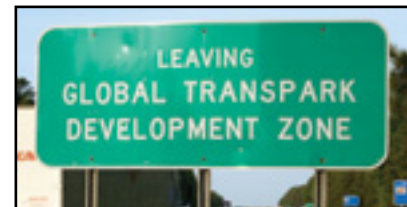
The N.C. Global TransPark Authority had an outstanding loan balance of more than \$38 million for the fiscal year ending June 30, 2010, and insufficient operating cash to repay the loan when it comes due on Oct. 1, concluded an audit commissioned by State Auditor Beth Wood and released in early February.

"These conditions raise substantial doubt about the Authority's ability to continue as a going concern," concluded auditors from Thomas & Gibbs, the Durham-based Certified Public Accounting firm that performed the audit.

The audit also stated, "if the Authority declares bankruptcy, funding received to date from the Federal Aviation

Administration may be required to be paid back. As of June 30, 2010, the Authority's amortized potential liability to the FAA was approximately \$17.4 million."

But FAA officials have told *Carolina Journal* on multiple occasions over the past decade that the FAA would not require repayment if the airport connected to the GTP is open to the public. In 2002, a N.C. Department of Transportation report on the TransPark also overstated the potential financial obligations to the FAA. At the time, Scott Seritt, manager of the FAA Airports District Office in Atlanta, told *CJ* that FAA grants do not need to be repaid as long as the airport remains a public facility. "We believe the GTP runway can be open and operational at this time without additional funds



State Auditor Beth Wood

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JLF Budget Expert Crafts Plan That Lowers Taxes

By CJ STAFF

RALEIGH

As Gov. Bev Perdue and the new Republican-led General Assembly consider options for closing a state budget hole, a new Spotlight report from the John Locke Foundation's top budget expert shows how they can reach their goal while reducing tax rates.

"This budget proposal saves nearly \$3 billion from projected spending, reduces tax rates for individuals and businesses, ends targeted tax breaks for selected companies and industries, and sets North Carolina state government on a fiscally sustainable path," said report author Joseph Coletti, JLF director of health and fiscal policy studies.

"State legislators and the governor should transform government, not just look for ways to spend less money doing the same things," Coletti said. "We all want better education, health care, and transportation for all North Carolinians, but isn't there a better, less costly way to accomplish these goals than the approach the state has taken for a generation?" he asked. "Those policies have led to a \$2.4 billion spending gap for the coming budget year, with \$21.2 billion in potential spending and just \$18.8 billion of expected revenue."

To correct the imbalance, Coletti offers a detailed list of budget adjustments at <http://tinyurl.com/JLF-2012NCBudget>. Among the highlights of his proposal are tax rate cuts for individuals and corporations.

"Instead of raising taxes, this budget includes rate reductions to set the stage for future tax changes that actually reform the tax code in a way that does not take more money from North Carolina's families and businesses," he said.

The corporate income tax rate would drop from 6.9 percent to 4.9 percent on Jan. 1, 2012. The rate would drop to 4 percent one year later.

Coletti's plan would lower and simplify individual income tax rates in two stages. "On Jan. 1, 2012, the bottom 6 percent individual rate would expand to those earning up to \$50,000, the 7 percent rate would fall to 6.75 percent for those earning up to \$100,000, and the 7.75 percent rate would drop to 7.5 percent," he explained. "One year later, the state would scale back to two personal income tax rates: 6 percent for income up to \$100,000 and 6.5 percent for higher levels of income."

The budget also spells out detailed spending cuts. The top 10 items

alone account for nearly \$1.1 billion in savings. "This budget proposal starts with the idea that government plays an essential role in some limited areas," he said. "The focus is on directing scarce resources to those areas where government has a role and where it is effective."

Almost every cut Coletti offers is permanent. In contrast, his spending increases are generally one-time changes. "This marks a reversal from standard practice, when legislators have voted for permanent spending increases and temporary cuts."

Overall, Coletti's plan limits state General Fund spending to \$18.4 billion, from \$18.7 billion of available funds. "Specific changes are based on principles to make government more transparent and accountable, reward results, merge redundant agencies, and end distortions that reward politically favored groups at the expense of the general welfare."

Specific spending proposals target areas such as pre-kindergarten health and education programs, K-12 and higher education, Medicaid, criminal justice, corporate welfare, environment and natural resources, and state employee benefits.

It's time for government leaders to accept the need for cuts, Coletti said. "While private payrolls shrank 9.1 percent between 2007 and 2010 — those 300,000 jobs are gone — state and local government payrolls expanded by 4.2 percent," he said. "Stimulus spending mainly allowed government to keep

growing. But taxpayers are tapped out. The federal spigot to states is off. Now it is time for governments to downsize."

Coletti compares the current budget picture to the historical record. "Budgeted appropriations in North Carolina grew three times faster than population and inflation from 1978 to 2008," he said. "Using constant 2010 dollars, per capita General Fund appropriations grew from \$1,170 to \$2,412."

Meanwhile, personal income growth compared to the rest of the country peaked in 1997, Coletti said. By 2009, per capita personal income dipped back to the same level recorded in 1987.

"With this budget proposal, state General Fund spending per capita would be \$1,891, basically the same level adjusted for inflation as in 1996 and throughout most of the 1990s," Coletti said. "In other words, this plan returns spending to levels last seen when North Carolina per capita personal income was at its highest compared to the national average."

The governor and legislators should ignore pleas to raise taxes, Coletti said. "North Carolina already has one of the highest tax burdens in the South, higher tax rates than most states, and one of the worst business tax climates in the country," Coletti added.

Elected leaders need to target taxpayer dollars toward core government services, Coletti said. CJ



Joseph Coletti
JLF analyst

State and local payrolls have grown while private payrolls have shrunk

Keep Up With the General Assembly

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Bill Would Deny College Admission to Those 'Not Lawfully Present'

By KRISTY BAILEY
Contributor

RALEIGH

With the January introduction of House Bill 11, Rep. George Cleveland, R-Onslow, has again stirred a decade-long debate in the Tar Heel State about the potential costs of educating illegal immigrants in North Carolina public community colleges and universities.

In the past, when illegal immigrants have been allowed to enroll in state-run post-secondary institutions, the students have paid out-of-state tuition rates.

The four-term representative's bill would prohibit admission to any person who is not lawfully present in the United States. If H.B. 11 becomes law, it would reverse admissions policies already in effect at the University of North Carolina system's 16 campuses.

The community college system has reversed its policy on whether to admit illegal immigrants four times since 2001. The State Board of Community Colleges voted in 2009 to admit illegal immigrants into curriculum programs provided they had graduated from a U.S. high school, paid out-of-state tuition (then approximately \$7,700) for a full course load, and didn't displace U.S. citizens. Last March, the board reaffirmed its position by a 13-1 vote, with Lt. Gov. Walter Dalton opposing the measure. But a bill specifically allowing illegal immigrants to attend community colleges has yet to pass the General Assembly.

Cleveland tells *Carolina Journal* that he doesn't believe the state's colleges have a handle on how many illegal immigrants are enrolled. "Last year, I had my legislative assistant contact all of the community colleges to



House Bill 11 would reverse admissions policies already in effect at the 16 campuses of the UNC system. (File photo)

try and ascertain how many were actually attending," Cleveland says. "It became apparent that they had no clue as to how many illegals were in their schools."

An Internet-based service from U.S. Citizenship and Immigration Services allows community colleges and universities to determine students' immigration status for a modest cost. The Systematic Alien Verification for Entitlements, or SAVE, costs 50 cents per transaction and takes between three and five seconds to receive a response. SAVE uses information from Department of Homeland Security databases to determine an applicant's immigration status, ensuring that only entitled applicants receive federal, state, or local public benefits. Applicants are required to submit an alien identification or Social Security number.

"The state subsidizes students at about \$13,000 a year," Cleveland said, "and for each illegal alien attending, the state is subsidizing them, and that means that a North Carolina citizen

cannot use that seat."

This is the second time Cleveland has sponsored a bill prohibiting illegal immigrants from enrolling in state colleges and universities. "The Supreme Court requires us to give illegal aliens K-12 schooling," he said. "I do not understand the mentality that wants the taxpayers to support and subsidize illegals that cannot legally work in the United States. The illegal population in North Carolina is driving down wages and taking work away from North Carolina citizens. As Americans and citizens of North Carolina, I think we all would want to send them home."

Supporters of enrolling illegal immigrants in state colleges argue that educating unlawful residents is a relative bargain. Last spring, Tony Asion, executive director of El Pueblo, told *The Charlotte Observer*, "We have no problem incarcerating somebody at a cost of \$39,000 a year, but we don't want to educate them at no cost? That makes no sense to me."

Backers also say the out-of-state

tuition paid by illegal immigrant students could be a boon for North Carolina. A study conducted by the North Carolina Community College System in April 2009 found that community colleges gained \$1,680 for every full-time-equivalent, out-of-state student enrolled during the 2006-07 academic year.

The average state and local appropriation per FTE annually was \$5,344 during the same period; out-of-state tuition was \$7,024, the study noted.

"I'm not buying into the fact that we make money off illegal immigrants," said Ron Woodard of NC LISTEN, a nonprofit immigration reform group. "I don't think we should be doing anything to encourage them to stay. We lose our proverbial rear end on all the other costs," including the money needed to expand campuses to handle higher enrollments.

"There is nothing to prevent [illegal immigrants] from going back to their home country and getting an education there and doing whatever they want," Woodard added. "Just because their parents broke the law, it doesn't mean they should be able to keep breaking the law."

The Washington, D.C.-based Federation for American Immigration Reform estimates the annual fiscal burden on North Carolina taxpayers from illegal immigration is more than \$1.3 billion. The state has an estimated illegal immigrant population of about 385,000, according to a January 2009 report from FAIR.

With a Republican majority in both the state House and Senate, H.B. 11 may clear the General Assembly. It's unclear whether Gov. Bev Perdue would veto the bill if it passes. *CJ*

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It also features the blog *The Wild West*, featuring commentary on issues confronting Western N.C. residents.

State Briefs

JLF: Nix state lottery

North Carolina's government-run lottery gets most of its money from the state's poorest counties, while failing to provide a promised boost in funding for education. A close look at the numbers leads to a simple conclusion in a new John Locke Foundation Spotlight report.

"The clearest and best solution is to eliminate the state lottery now," said report author Jon Sanders, JLF associate director of research. "End the lottery, and return to a more honest, direct form of education funding. The state lottery has not become an irreplaceable funding source during the short years of its existence."

While scrapping the lottery is the best option, lawmakers who want to keep the state-run game should at least make changes to ensure its proceeds are used more effectively, Sanders said.

Lawmakers created the N.C. Education Lottery in 2005. Its first games started the next year. North Carolina's lottery appears to be following a familiar pattern, Sanders said.

"The lottery was sold as a way to boost education spending in North Carolina, but that historically has been a false promise of education lotteries in other states," he said. "A study of 11 other state education lotteries showed that states are likely to decrease their growth of spending for education upon operating a lottery designated for that purpose."

TVA taken to Supremes

The next stop for North Carolina Attorney General Roy Cooper's pollution-control lawsuit against the Tennessee Valley Authority could be the U.S. Supreme Court.

Cooper has asked the nation's highest court to review a ruling by the 4th U.S. Circuit Court of Appeals last year that upheld North Carolina's case against the multistate utility.

Cooper gained a landmark victory in 2009 when a federal district court judge required TVA to install emissions control devices on four of its coal-fired power plants. But a three-judge panel of the appellate court reversed that decision in July. The reasoning: Accepting Cooper's argument that TVA emissions constitute a public nuisance would allow judges to apply overly vague standards to the issue.

Cooper's petition to the Supreme Court says the appeal "is of exceptional importance," in part because of health risks to North Carolina citizens due to pollution from TVA's power plants. CJ

State Spends \$1M Defining 'Green' Jobs

By KAREN McMAHAN
Contributor

RALEIGH

On May 21, 2009, Gov. Bev Perdue announced a series of initiatives designed to "strengthen North Carolina's green economy" — including a revolving loan fund to finance energy efficiency measures in companies and government agencies, using federal stimulus money to fund green businesses, and boosting spending for green job training classes in community colleges.

"The state that gets green right will own the next 50 years," Perdue said. "I intend for North Carolina to be that state."

In November of that year, the state Employment Security Commission announced it would be receiving more than \$1 million in federal grants to collect and analyze information on the labor market associated with energy efficiency and renewable energy industries. Despite numerous project delays, the state has continued this initiative — even though in January 2010, the U.S. Bureau of Labor Statistics announced it was starting the process at the federal level to define and measure green jobs.

Brandee Roberts in the ESC's Labor Market Information Division told *Carolina Journal* that the state received a \$946,000 grant through the 2009 American Recovery and Reinvestment Act and another \$71,000 grant from stimulus funds as part of a 23-state consortium to estimate future green job demand. The ESC distributed a Green Jobs Survey to select North Carolina employers in early February of this year, requesting that the surveys be returned no later than Feb. 21.

It turns out that a lot of "green jobs" already exist; they're just not thought of in that way, and many people might not consider the work to be especially protective of the environment. The state and federal initiatives appear merely to shift many current jobs into green categories and give them a planet-friendly cover.

Six areas in North Carolina's survey classify whether an employee or organization was doing work essential to a green service or product. The survey allows employers to state that an employee who provides janitorial services and whose duties include collecting paper, soda cans, or plastic bottles for recycling is working in a green job. The definitions also are written such that nearly anyone who works for the N.C. Department of Environment and Natural Resources or a similar regulatory body would be defined as working in a green industry or providing green jobs.

For example, activity category No. 6 states: "Providing education, consulting, policy promotion, accreditation, or similar services supporting any of the above categories." The examples included are "providing consulting services for environmental impact/remediation, governmental compliance; providing education and awareness to the public regarding recycling and conservation programs."

Activity No. 1 deals with "energy-efficient building (including new construction and retrofitting)" and No. 3 deals with "pollution prevention (including waste management and recycling) and environmental cleanup."

Using these definitions, a construction worker who installs insulation; a pipefitter who installs a valve that controls stormwater release; an electrician who installs a new heat pump thermostat; a handyman who repairs a water

heater; and a consultant who develops "energy efficiency analysis proposals including budgets and work scopes" would be considered doing green jobs.

The letter accompanying the survey instructs employers to provide information on their organization's work force and its involvement in green economic activity. But the definitions are so broad as to make them highly subjective. Both North Carolina and BLS consider administrative personnel, such as secretaries and dispatchers, who are not involved directly in producing a green service or product, as performing green jobs if the organization is deemed to provide a green product or service.

BLS will measure green jobs using a process approach and an output approach. The output approach will look only at jobs that produce a set of "green" goods or services without examining the environmental impact of the production process. The process approach, on the other hand, will examine whether the business uses practices or technologies that have a favorable impact on the environment. It is unclear how terms such as "favorable" or "environmentally friendly" would be defined.

President Obama's 2010 budget, signed into law December 2009, appropriated \$8 million to BLS to launch an initiative to measure green jobs. On its website, BLS said the "initiative includes special employer surveys; the first one will ask businesses about their environmentally-friendly production processes and associated jobs."

On June 30, 2010, BLS published a notice in the Federal Register, stating it planned to initiate a research project to collect occupational employment and wage data from businesses that use environmentally friendly processes and practices through a nationwide survey.

Roberts said the state decided to do its own survey before BLS had developed a green job definition or had planned to do a nationwide survey. Asked why the agency took more than a year to get the survey developed and disseminated and then gave businesses only 13 days to respond, Roberts said there were problems getting the funds to purchase certain items, including paper for the surveys.

The deadline to complete the project is May 31, so Roberts said the commission will be asking for an extension. "Fortunately, the North Carolina State University Center for Urban Affairs and Community Services will be helping us by conducting a follow-up telephone survey. The Center will also assist us in data analysis," said Roberts.

But why persist after all the delays, especially after learning that BLS would be doing a nationwide survey? Roberts responded that BLS would use North Carolina's data, but *Carolina Journal* Executive editor Don Carrington, a former deputy director of the Labor Marketing Information Division, said that was highly unlikely, especially since the state created a green jobs definition that doesn't match the one developed by BLS. "Our country's labor statistics programs are based on BLS definitions and methodologies," Carrington said. "After the initial survey, BLS may conclude that there is no meaningful way to measure green jobs, so an individual state's definition of a green job would be useless."

BLS officials did not return phone calls from CJ requesting more information on its green jobs definition and survey methodology. CJ



Bill Would Restore Partisan Labels In North Carolina Judicial Races

BY DAVID N. BASS
Associate Editor

Candidates running for judicial office in North Carolina would have their party affiliation listed on the ballot for the first time in a decade under legislation pending in the General Assembly.

Senate Bill 47, Restore Partisan Judicial Elections, would return partisan identifiers to races for District Court, Superior Court, Appellate Court, and the state Supreme Court beginning in 2012. The legislation would add a splash of political flavor to races that officially have been nonpartisan since 2002.

Right now, voters have limited options for learning about judicial candidates' approach to the law. Sponsors of the bill say that a return to party labels would go a long way toward solving that problem.

"People still believe that partisan labels mean something," said Sen. Jerry Tillman, R-Randolph, the chief sponsor of S.B. 47. "This gives voters a little something to go off. Does it tell them everything? No. But it tells them more than they know now."

The bill is more likely to gain traction this year due to Republican majorities in the House and Senate. Democrats largely led the effort in 2001 and 2002 to nix party labels from judicial races. Political experts say that Republicans running for judicial office typically benefit more than Democrats from party identifiers.

Critics say that both election methods — partisan and nonpar-

tisan — have their flaws. "Partisan judicial elections are obviously problematic," said Gene Nichol, a law professor and director of the University of North Carolina's Center on Poverty, Work, & Opportunity. "Nonpartisan races are plagued by the reality that such a huge percentage of voters have no idea who they are voting for — hardly a wise methodology."

Former state Supreme Court Justice Bob Orr said he was comfortable with a return to partisan elections, but that an appointment-retention system — in which the governor appoints judges and justices, who then face a retention election at a later date — would be ideal.

"That still allows the public to get rid of a judge that needs to be gotten rid of, but doesn't put the electoral and political stresses on the judges or the candidates as much as the current system," said Orr, who's now executive director of the North Carolina Institute for Constitutional Law.

Legislation to create an appointment-retention system has been introduced in past legislative sessions, only to die in committee.

Tillman said that other judicial-election reforms need to be made — such as addressing the public financing of judicial campaigns — but he didn't want to snarl up S.B. 47 with additional changes.

"I want a straight up or down [on] partisan elections or not," he said.

At press time, the bill had not faced its first committee hearing. CJ

Electoral Freedom Act Would Put More 3rd Parties on Ballot

BY SARA BURROWS
Associate Editor

The Libertarian and Green parties have been waiting several months for the North Carolina Supreme Court to decide whether it will force the General Assembly to ease restrictive ballot access laws.

Rep. Steven LaRoque, R-Lenoir, hopes to beat the court to the punch. He filed House Bill 32, the Electoral Freedom Act, Feb. 2.

If passed, the bill would lower the number of signatures third parties and unaffiliated candidates are required to collect before getting on the ballot in North Carolina.

North Carolina places some of the nation's toughest ballot qualification standards on minor parties and unaffiliated candidates, requiring either to collect at least 85,000 valid signatures from registered voters (2 percent of the votes cast in the last gubernatorial election) to run in a statewide election.

The proposed law would eliminate the percentage-based petition requirement, setting the bar at a fixed 10,000 signatures for statewide races, including governor, U.S. president, and U.S. senator; 1,000 for U.S. House of Representatives; 300 for North Carolina Senate; and 150 for North Carolina House.

LaRoque called the 2-percent requirement a "moving target" because it is ever-changing as population grows and voter turnout increases. He said knowing "you're going to have to get x number of signatures" every year will be easier to plan for.

The bill also would make it easier for parties to stay on the ballot once they qualify. (Under current law, a party stays on the ballot only if its candidate for governor earns at least 2 percent of the vote.) A party garnering less than 2 percent must collect signatures all over again. LaRoque's bill would allow parties, for instance, to remain on the ballot if they get at least 10,000 votes.

LaRoque said he sponsored the bill in part because he saw how diffi-

cult it was to collect a mere 1,400 signatures (10 percent of registered voters in Kinston) to get a referendum on that city's ballot making local elections nonpartisan. Once it got on the ballot, the referendum passed by 64 percent.

He said he could only imagine how "burdensome" collecting 85,000 signatures would be.

As a Republican, LaRoque realizes that opening up the ballot to third parties is not going to make his job any easier in future election seasons, but he said he's "not afraid of competition."

"That's what an election is, it's a competition," he said. "Competition breeds excellence."

In court proceedings challenging current ballot access laws, the state has defended its signature requirement as a means of keeping ballots short and simple, arguing too many choices confuse voters.

But third parties claim ballot clutter is a myth. They cite as an example Tennessee, where only 25 signatures are required and only nine parties appear on the ballot.

Free the Vote North Carolina — a nonpartisan political action committee — held a press conference Feb. 1 announcing the formation of the Free

the Vote Coalition, an alliance of alternative political parties and public policy groups working to garner support for the bill.

Members of the coalition include: the Conservative Party, the Constitution Party, the Green Party, the Libertarian Party, the Modern Whig Party, the N.C. Center for Voter Education, N.C. Common Cause, Democracy NC, and the John Locke Foundation.

"It's pretty significant when you can get the John Locke Foundation and Democracy NC agreeing on something," said Brian Irving, member of the Libertarian Party and chairman of the coalition.

The bill has bipartisan support in the House, with six Democrats, four Republicans, and one unaffiliated representative as sponsors.

At press time, the bill was before the House Elections Committee. CJ



The new law would eliminate percentage-based petition requirement

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Boylston Creek Reclassification May Be Swimming Upstream

BY KAREN WELSH
Contributor

BREVARD

Concerns that state environmental regulators are seeking to take property along streams in western North Carolina without compensating property owners has drawn a reaction from the General Assembly. Rep. David Guice, R-Transylvania, recently introduced House Bill 62 to stop the reclassification of Boylston Creek from a Class C to Class C Trout stream in Transylvania County.

Should the reclassification take place, landowners along the designated areas of the creek would have to leave a 25-foot buffer of the creek bank undisturbed and allow trout fishermen unlimited access to their land along that buffer. The bill was in the House Environment Committee at press time.

Boylston Creek resident Gerry Hunsicker is glad the bill is moving through the legislature. Still, he wants to help other "victims" across the state who unwittingly have been affected after their waterways were reclassified without their knowledge.

Brown Mill Creek resident and landowner Robin Crowe is one of them. He had owned land in Rosman for many years when he decided to clean out the silt choking the waterway that ran through his land. He said repairs were needed because a landfill located upstream produced muddy waters that settled on his lowland property.

While working to solve the problem, however, Crowe received a call from the N.C. Department of Environment and Natural Resources office in Asheville and was informed he had violated

the conditions of the Class C Trout waters and was threatened with a fine of up to \$50,000. The only problem was this lifelong resident of the area was never informed the water running through his property was reclassified.

"They didn't ask us," he said. "There was no public meeting, no vote. They just did what they wanted to do, and that was that. I didn't know the law. No one told me anything until they came after me."

Although Crowe didn't have to pay a fine, he spent \$7,000 out of his own pocket to restore the banks of the stream to DENR's specifications.

Hunsicker said many people who talk with him are too intimidated to talk about the nightmares they've been put through because of the Class C Trout classification forced upon their property.

**Property owners
say they never
got notified
of the stream's
reclassification**



According to DENR and other government agencies, Boylston Creek (pictured above), which runs past this home in Transylvania County, and is one of the many navigable waterways or feeder streams throughout North Carolina that should be designated Class C Trout. (CJ photo by Karen Welsh)

"There are many government agencies involved, and they have such arbitrary discretionary power," he said. "It puts many people into a difficult position. They want to get their stories out, but won't right now because of the consequences they may face after they do."

Mills River Mayor Roger Snider said the general distrust comes as no surprise after government agencies were secretive in the reclassification process. "They were almost two years into the study of the creek when I happened to find out about it," Snider said. "No one called me. They should have."

Along with the skepticism of all the government agencies involved, Hunsicker believes there are hidden agendas for naming trout streams across the state. This came after he read an article in the March 2004 edition of *Wildlife in North Carolina* magazine stating the N.C. Wildlife Resources Commission was looking to acquire corridors and easements for trout fishermen throughout the state at little cost to the agency.

"One million people come to North Carolina to fish each year," he said. "There are big lobbies out there that are trying to get the land open. They don't have to buy the property to take total control of it through the Class C Trout Classification."

Susan Massengale, a spokes-

woman for DENR, said there are 1,153 Class C Trout waters throughout the state. The first designation was made in 1957.

Massengale said that although fishing is permissible in Class C Trout streams, the classification does not allow trespassing or the provision for access to streams on either public or private land. "Nor does it regulate fishing activities, including seasons, size limits, creel limits, and bait and lure restrictions," she said. "That is handled by the N.C. Wildlife Resources [Commission]."

Hunsicker said that means it's

still at the discretion of a government agency, which ultimately might allow fisherman to use the 25-foot buffer zone to enter someone's property to fish. Snider agreed, saying most fishermen won't wait for permission to use the buffer zone to fish on private property.

"All of these trout streams are published in books, magazines, and online," he said. "It is a concern. The advertisement of this being a trout stream will induce others to trespass. They will have fishermen walking up and down private property without asking permission." CJ

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\$3,500 Tax Credit Bill Angers Some Groups, Heartens Others

BY DAVID N. BASS
Associate Editor

RALEIGH

A bill introduced in the General Assembly would reward lower-income families who opt out of the public school system with up to \$3,500 in tax credits, a proposal that's angered Democrats and public-school leaders.

The measure — House Bill 41, Tax Fairness in Education — is designed to pass along the savings reaped when parents whose taxes pay for public schools opt to send their kids elsewhere. Families with taxable income less than \$100,000 for married couples, or \$60,000 for singles, would be eligible.

In addition to a \$2,500 state refund, the bill would authorize county commissioners to issue local tax credits of up to \$1,000. The credits would apply only to students who attended a public school during the previous tax year.

The legislation, along with a bill to lift the cap on charter schools, is a key part of Republicans' school reform agenda in the General Assembly. School choice advocates have praised it.

"Many private schools offer excellent educational opportunities for around \$3,500, so legislation such as House Bill 41 will put many middle-class families within reach of the quality education they rightfully deserve," said Darrell Allison, president of Parents for Educational Freedom in North Carolina. "When our state ranks near the bottom nationally in its high school graduation rates, parental school choice measures such as H.B. 41 and others will give these students a real chance in obtaining a solid education."

Although winning praise from conservatives, the tax-credit effort has riled public education leaders. In a Feb. 8 press release, State Board of Education Chairman Bill Harrison and State Superintendent of Public Instruction June Atkinson said the bill would have a "devastating" impact on public education.

"This move to pull support from public schools has the potential to create a taxpayer-supported system of private schools and another system for everyone else," Atkinson said. "I don't

believe North Carolinians want to undermine their schools. I believe North Carolinians want to support their public schools to make them stronger."

Harrison said the bill violates the "guiding principles" of the Board of Education. "Our focus is on success for all students and on having a transparent operation with strong accountability for taxpayer resources," he said. "This would take away from that and create even larger disparities in education without giving most families additional choices."

In his own press release, the bill's primary sponsor, Republican House Majority Leader Paul "Skip" Stam of Wake County, chided Harrison and Atkinson for getting involved and claimed that almost every fact cited in their news release was incorrect.

"I am surprised that the Department of Public Instruction has chosen to insert its

opinion on a bill which has such potential for improving education for so many children," Stam said.

Stam also said that the bill would lead to a net gain for government coffers. According to an unofficial memorandum prepared by the legislature's Fiscal Research Division, the tax credits would generate around \$51 million in annual savings for state and local governments beginning with the 2012-13 fiscal year. Before then, it would serve as a net drain of \$14.6 million.

The windfall would result from parents who had sent their children to public schools moving them to private alternatives, easing the burden on school districts and state administration.

The annual expense for state and local governments to send a student through the public school system is around \$9,330, a figure that includes child nutrition and average capital cost.

H.B. 41 is currently assigned to the House Education Committee. At press time, it hadn't been brought up for consideration.

The bill could face a veto from Gov. Bev Perdue. A spokeswoman from the governor's office said discussions about a veto are premature because a final version isn't on Perdue's desk yet. *CJ*



COMMENTARY

U.S. STEM Skills Don't Add Up

Now is a time of high anxiety for American leaders in the critical fields of science, technology, engineering, and mathematics, aka STEM.

Other countries are surging ahead, nurturing a talent pool of students who possess impressive math and science competencies, even as U.S. students fall further and further behind. Anemic American performance in science and math is worrisome, given STEM innovation's key role in fueling economic growth.

New scores from the National Assessment of Educational Progress demonstrate that just one-third of U.S. fourth-graders are proficient in science. Science skills drop steadily as kids progress through our K-12 system, with only 30 percent of eighth-graders and 21 percent of 12th-graders scoring at proficient levels.

Such widespread scientific illiteracy is "completely unacceptable," says Francis Eberle, head of the National Science Teachers Association.

On international tests, other countries leave us in the dust. Scores of 15-year-old students on the latest Program for International Student Assessment test show the U.S. ranks 31st in math — below average, and on par statistically with countries such as Latvia. In science, American teens fare slightly better but still land in the mediocre middle, ranking 23rd worldwide.

The world's future math-science prodigies are clustered in Asia. In China, the city of Shanghai, new to PISA, posts the highest scores in both subjects; fully half of Shanghai students score at the most advanced math levels.

Perennial performer Singapore, along with Hong Kong, Korea, and Chinese Taipei, round out the top five in math. In science, Shanghai is followed by Finland, Hong Kong, Singapore, and Japan.

Why do American students lag so far behind other countries? Eberle says the federal No Child Left Behind law's intensive emphasis on math and reading has shortchanged science education and funding.

This argument rings true in the science realm. But why then

are American students tanking in math?

According to the National Council of Teachers of Math, U.S. students need help applying math concepts to "real-life situations" assessed by PISA. NCTM president Mike Shaughnessy wants a greater focus on problem solving and instruction featuring a "real-world context."

Real-world learning is fine, but we also need to double down on effort. Across the globe, high achievers accept that mathematics is difficult; therefore, they work harder at it. A recent Raytheon survey comparing middle-school parents in Singapore, England, and the U.S. lends credence to this view.

In Singapore — second only to Shanghai in math prowess — parents are more than twice as likely as American parents to say "math is hard." Thus, their children tackle math all day long, attending after-school programs, laboring with tutors, pursuing math test prep classes, and solving supplemental math problems not assigned in school.

Parents in Singapore also are more likely than American parents to say "math is fun." In Singapore, math is integrated into kids' lives in engaging ways: Students attend math and science camps in droves, and participate in robotics and mathematics competitions at dramatically higher rates than U.S. students. The culture values and fosters math achievement.

How else can we grow our STEM talent pool? Providing more enrichment, curriculum acceleration, and school accountability for top performers, as advocated by the National Science Board, makes great sense.

So, too, does creating an alluring, financially remunerative pay structure for highly educated, gifted science and math teachers.

But we must act quickly. Our global competitors got serious about training up the next generation of STEM superstars years ago. It's high time we did, too. *CJ*

Kristen Blair is a North Carolina Education Alliance fellow.



**KRISTEN
BLAIR**

Charter School Bill Broadens Into School Reform Bill

BY DAVID N. BASS
Associate Editor

RALEIGH

What began as a one-page bill to eliminate the state's cap on charter schools has morphed into a comprehensive reform of North Carolina's charter school law, replete with partisan rancor from both sides of the aisle.

Lifting the 100-school cap on charters is an integral part of Republicans' 100-day agenda. Even though the measure — Senate Bill 8, No Cap on Number of Charter Schools — was among the first bills introduced during the legislative session that began in January, it was stalled in committee for nearly a month.

The Senate eventually passed the bill Feb. 23 by a 34-16 vote, with three Democrats joining all 31 Republicans supporting the legislation. At press time, the House hadn't taken it up.

In addition to lifting the 100-school cap on charters, the legislation would establish an advisory committee under the State Board of Education to approve or reject applications to launch charter schools. The committee would wield ample power — the Board of Education would need a three-fourths vote to override committee recommendations.

Among other changes, the bill also would ease restrictions on whether counties can use tax dollars to assist charters with school construction.

School-reform advocates like the bill's main provisions. "The legislation removes the cap, creates a separate commission to authorize and administer charter schools, makes it easier for existing charters to expand, and seeks to improve charter school finances," said Bob Luebke, a senior policy analyst with the conservative Civitas Institute.

Not perfect

"It's not a perfect bill," he added. "There are elements that I don't agree with. But on the whole, it expands and improves educational opportunities for students and parents, and that's always a good thing."

The N.C. Association of Educators long has opposed nixing the charter school cap, but has softened that stance in recent months in light of Republicans'



The proposed bill would not only lift the 100-school cap on charter schools, but would also create an independent commission to rule on charter applications.

takeover of the legislature. Instead, the union is pushing for revisions to the charter law itself.

Diversity tussle

Opponents have focused their firepower on what they claim to be a lack of diversity in charter schools. To increase access to charters, Democrats proposed requiring schools to participate in the federal government's free and reduced-price lunch program and to provide bus service for low-income students.

"When you don't provide lunches, or you don't provide transportation, some of what you say to low-income, low-wealth students and families is that you need not apply to this school," said Christopher Hill, education and law project director at the North Carolina Justice Center.

Republicans rejected both ideas, but did not alter a requirement that charter schools have a plan to recruit minority students.

The bill's primary sponsor, Republican Sen. Richard Stevens of Wake County, said charter schools are not guaranteed the money to finance buses and lunches. "Charter schools don't get capital money. They've got to beg, borrow, get loans, rent, use church basements, whatever, many times for their facilities, particularly in the early days."

Recent data on charter schools in North Carolina show a third enroll mostly minority students. Twelve have 99 percent or more minority students, most of whom are African-American.

There could be unintended consequences of placing further racial restrictions on charter schools, said Sen. Tom Apodaca, R-Henderson, co-chairman of the Education and Higher Education Appropriations Committee.

"We could get countersued by the white population because we're not racially matching the breakdown of our [Local Education Agencies]," he said.

Senate Minority Leader Martin Nesbitt, D-Buncombe, said the members of his caucus are comfortable with removing the 100-school cap, but are worried about diversity issues.

"If you're going to have charter schools, they need to reflect the community," he said.

Charter history

With new Republican majorities in the House and Senate, this year is the first significant opportunity school reformers have had at easing restrictions on charters since the General Assembly first enacted the charter school law in the mid-1990s.

Last session, the House unanimously passed a bill that would have raised the cap to 106 schools, but it never reached a floor vote in the Senate. A proposal allowing local school boards to incorporate charter-like elements into low-performing traditional public schools got more favorable treatment from the Democratic-controlled legislature. It passed both chambers and was signed by Gov. Bev Perdue.

Lawmakers also approved a measure allowing certain traditional high schools to operate under the same rules as charter schools.

Perdue had requested last year's charter-like bill in advance of a June 1, 2010, application deadline for a second round of federal Race to the Top grants, allocated partly on the basis of a state's friendliness to charter schools. North Carolina ended up winning \$400 million in federal funds. *CJ*

Associate Editor Anthony Greco contributed reporting to this story.

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Neighborhood Assignment Programs Expand in North Carolina

State and national NAACP organizing to protest changes

BY KRISTY BAILEY
Contributor

RALEIGH

While the Wake County school board has drawn national attention for its struggles over school assignments, the battle has been joined in other North Carolina communities.

West of the Triangle, the Alamance-Burlington School System is devising a plan that would eliminate a half-dozen satellite zones originally created to achieve racial diversity in the wealthier portions of the county, including west Burlington.

For several years, Cumberland County has offered a "governed choice" assignment system allowing students to apply to schools with specialized curriculums, such as technology, arts, or science. And in January, the New Hanover County school board passed a middle school redistricting plan that largely reflects a neighborhood school model.

On Feb. 12, the so-called HKonJ, or Historic Thousands on Jones Street, drew nearly a thousand marchers to downtown Raleigh protesting the Wake County school board's controversial plan to return to neighborhood schools, in lieu of a current system assigning students based on socio-economic diversity.

Flying under the radar, perhaps, were the demonstrations in Winston-Salem, where state and local chapters



The Rev. William Barber II (center), president of the state chapter of the NAACP, was arrested at a July 2010 meeting of the Wake County school board. He and followers were protesting the proposed change in the system's assignment plan. (CJ file photo)

of the National Association for the Advancement of Colored People have been active in the move to halt what the NAACP considers a return to racially segregated schools. Winston-Salem/Forsyth County Schools has a "choice plan with zones," which has been in place since the mid-1990s.

In last fall's elections, a flier produced by the NAACP depicted six members of the Winston-Salem/Forsyth County school board as "new segregationists." The flier, released in October, referred to school board members Jeannie Metcalf, Jill Takabery, Donny Lambeth, Jane Goins, Marilyn Parker, and A.L. "Buddy" Collins as segregationists for supporting school choice and opposing forced busing. Juxtaposed with a photograph of Metcalf, labeling her a "New Segregationist," was a photo of former Alabama

Democratic Gov. George Wallace and the caption "Old Segregationist."

Attached to the flier was an announcement for a rally and march to voting sites sponsored by the Winston-Salem-based Communities Helping All Neighbors Gain Empowerment. The Rev. William Barber II, president of the state chapter of the NAACP, was a featured speaker at the event.

Rob Stephens, a member of the NAACP, told the *Winston-Salem Journal* in October that the flier was intended to show that the return to neighborhood schools, in his view, equals resegregation.

The harsh rhetoric did little to sway voters, as all nine incumbent members of the school board retained their seats. Goins, vice chairman of the Winston-Salem/Forsyth County Board of Education, told *Carolina Journal*, "Forsyth County parents are pleased to have this choice plan." It "gives parents a choice among schools in an attendance zone, including the option of the neighborhood school closest to their residence."

While the term "neighborhood schools" may have been code for segregation in the 1960s, educators today see the shift as fiscally responsible, particularly in light of fuel costs associated with busing. Wake County parents and students also have objected to the county's ever-shifting school assignments, which can force some students to change schools annually just to satisfy socio-economic quotas.

With more than 143,000 students enrolled in 163 schools, Wake County school officials insist that busing to achieve racial diversity accounts for just one half of 1 percent of all busing, and eliminating it would save \$280,000 annually, according to a report from *The News & Observer* last spring.

Even so, the county's diversity busing plan was not popular when the current Republican majority took

charge of the school board in 2009. A survey from the Democratic firm Public Policy Polling taken in early September 2009 but released after the October election showed that 61 percent of all Wake County parents surveyed opposed the busing policy; only 29 percent supported it. Moreover, the plan was a loser among African-Americans, with a mere 41 percent backing the policy and 46 percent opposing it.

In June 2007, the U.S. Supreme Court outlawed assigning students to public schools for the purpose of achieving racial integration. In *Parents Involved in Community Schools v. Seattle School District No. 1*, a 5-4 majority of the justices held that the school board failed to present any compelling state interest justifying the assignment of school seats on the basis of race.

School districts can continue to assign students if districts feature a geographic concentration of students who qualify for the federal free or reduced-price lunch programs. But the four dissenting justices acknowledged that the U.S. Constitution does not impose a duty upon school districts to desegregate if those districts have not practiced racial discrimination.

Terry Stoops, director of education studies at the John Locke Foundation, says that the NAACP has supported "the class-based busing model because class is strongly correlated with race, so a district can achieve race-based busing without violating the law."

In February, the Greater Raleigh Chamber of Commerce and Wake Education Partnership presented Wake County school board members with a proposal similar to Forsyth's plan, providing parents some choice of the schools their children could attend.

The plan, designed by Alves Educational Consultants Group, emphasizes proximity without the use of mandatory attendance zones and aims to promote school diversity without mandates.

(The plan's architect, Michael Alves, has designed choice-based student assignment plans in nearly two dozen school districts across the United States.)

Under Wake County's existing socio-economic plan, students qualifying for free or reduced-price lunches can make up no more than 40 percent of the enrollment of any public school.

Ultimately, student achievement starts at home, Goins said. "The single most important factor contributing to student success is parental involvement," she said. "Parents must be accessible to the child's school. This works best, of course, in neighborhoods."

Neither the North Carolina NAACP nor the group's Winston-Salem chapter responded to requests to comment for this story. CJ

Locke, Jefferson and the Justices:

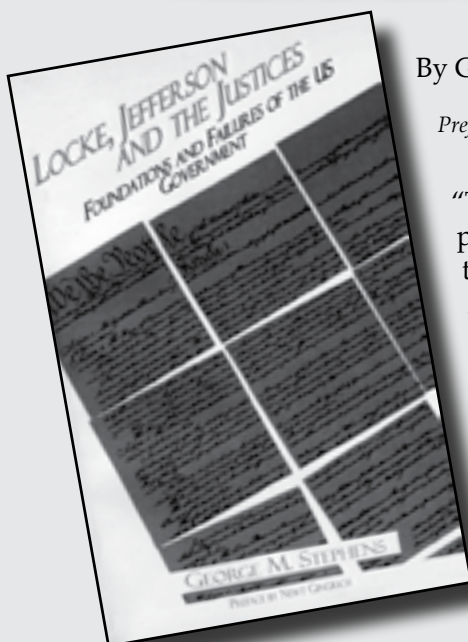
Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

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

Newt Gingrich
Former Speaker
U.S. House
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Town and County

Efficient Mecklenburg

Mecklenburg County hopes to save up to \$20 million by improving some of its financial practices. The savings come from implementing better purchasing and accounting procedures, reports *The Charlotte Observer*.

The county has been looking to improve its financial controls. The need for better oversight has been highlighted by scandals in the county's social services and mental health agencies. To help, it brought in Deloitte Consulting. The firm identified how the county could save money by buying products in proper quantities at the best prices. The county's IT systems will be updated to allow the county's main finance department to handle more of the work.

"It's really going to change the way we do business," said county Finance Director Dena Diorio of the changes.

The savings could start appearing in time for next year's budget.

Deloitte was paid a \$540,000 base consulting fee but can earn up to an additional \$3.4 million depending on how much money the county saves.

Durham hiring practices

Both the city and county of Durham no longer will make job seekers disclose their criminal records on initial job applications. The move comes in response to pressure from civil rights groups seeking to end discrimination against those previously convicted of a crime, reports the *Durham Herald-Sun*.

The so-called "ban-the-box" movement seeks to make it easier for those with criminal convictions to get jobs by assuring they will at least get an interview before acknowledging past misdeeds.

"We're merely trying to delay this until later on in the process," said Daryl Atkinson, a spokesman for the Durham Second Chance Alliance. The goal is to allow candidates to be evaluated on "entire qualities."

Administrators in the city and county dropped the initial disclosure requirement without action by elected officials. In both jurisdictions, the governing boards support the move and may still pass ordinances requiring the change.

Government officials state that they will continue to perform due diligence before putting someone on the city or county payroll, including background checks. *CJ*

Backers: Voter ID Measure Targets Fraud

By ANTHONY GRECO
Associate Editor

RALEIGH

A bill requiring North Carolina voters to present a valid photo ID before voting was set to be introduced in the General Assembly in late February. Supporters say it's essential to prevent voter fraud, while opponents liken the measure to a poll tax.

"To function in modern society, you need a photo ID," said Rep. Tim Moore, R-Cleveland, a primary sponsor of the bill. "The only person who's going to be prohibited to vote under the law are those voting illegally."

Moore, now chairman of the influential House Rules Committee, sponsored a similar measure, House Bill 430, in the 2009 session of the General Assembly. Other sponsors included the new speaker of the House, Rep. Thom Tillis, R-Mecklenburg, and current majority leader Rep. Paul "Skip" Stam, R-Wake.

H.B. 430 would have required "every individual seeking to vote in person" to present one of two forms of identification — either "a current and valid photo identification," or a copy of a document showing the voter's name and address. Acceptable documents would have been a utility bill, bank statement, or government check.

Each county board of elections would be responsible for verifying the identities of voters.

This year's edition, Moore said, will be modeled after an Indiana law requiring voters to present a photo ID. Voters in Indiana must present a photo ID issued by the state or U.S. government at the polls. Those who cannot are allowed to cast provisional ballots; those votes are counted if voters can provide proof of identity at their local election board (or file a sworn affidavit) within a week of the election.

The bill had not been introduced at press time because Moore said sponsors were working out a technical issue with the bill and dealing with potential concerns about its cost.

Opponents demonstrate

In late February, a group of Democratic legislators held a news conference expressing opposition to Moore's pending bill. The news conference coincided with a legislative visit from students attending HBCUs (historically black colleges and universities) around the state.

The opposition fell into three broad categories: The bill amounts to a new form of a poll tax; it would complicate the voting process, chilling turnout; and it would be an unfunded liability from the state to local governments.

"This really amounts to poll taxes," said Rep. Garland Pierce, D-Scotland. "We know what that ugly chapter in our history was all about, and we wonder what will be next if you start with an ID today."

Poll taxes were taxes local governments charged voters before the federal Voting Rights Act of 1965 became law. The taxes were used to disenfranchise black voters in the South before the civil rights movement.

The U.S. Supreme Court, however, in a 2008 case challenging Indiana's voter ID law, rejected that comparison. In *Crawford v. Marion County Election Board*, a group from the Indiana Democratic Party claimed that forcing voters to pay for a photo ID amounted to a poll tax.

Writing for the majority, Justice John Paul Stevens af-

firmed a lower court decision, noting that the benefit of reducing the risk of fraud outweighed the potential burden to voters of acquiring a photo ID — especially if measures are taken allowing provisional ballots.

"The electoral system cannot inspire public confidence if no safeguards exist to deter or detect fraud or to confirm the identity of voters," Stevens wrote. "Photo identification cards are needed to board a plane, enter federal buildings, and cash a check. Voting is equally important."

At the press conference, Courtney Scott, a Shaw University student and Georgia resident, said she did not want to declare residency in North Carolina. Requiring out-of-state college students like her to get a North Carolina driver's license could prevent them from going to the polls.

She said the cost of getting to the DMV could mean a decision between voting and buying dinner.

"We spent a century trying to make being a citizen in this country simple," Scott said. "The Civil Rights Act of 1964 put a stop to all those hassles of voting that African-Americans had to go through."

Rep. Larry Hall, D-Durham, argued that voter fraud in North Carolina is so rare it was not worth the

expense of instituting a voter ID law. He said the law would be an unfunded mandate from the state to local governments.

"Voter ID laws are going to cost in order to implement them, if they're going to be effective and not just a fig leaf," Hall said.

Rep. William Current, R-Gaston, disagreed. Current, a primary sponsor of last session's bill, said in communicating with county elections boards, many have suggested an ID requirement could relieve some of the expense of holding elections. Since this session's bill had not yet been filed at press time, there is no official fiscal note.

At the center of the debate over cost are estimates of the number of registered voters who don't carry government-issued identification. The State Board of Elections estimated anywhere from 500,000 to 1 million registered voters do not have records at the Division of Motor Vehicles. The board's survey did not, however, account for those with military IDs, passports, or other forms of government ID.

"I'm getting to where I don't know whether to believe numbers or not," Current said. "I think people just reach up into the sky and get whatever suits them."

Protecting elections

Both sides agree it's essential to protect the integrity of elections. They disagree on how to do it. "The security of the ballot in North Carolina is of crucial importance," Rep. Grier Martin, D-Wake, said during the news conference. A photo ID is not the answer, however. "Our state has tough felony-level penalties for folks who try to tamper with our ballots," Martin said.

Even so, Current says he thinks people look for ways to vote fraudulently. "I just know that there's a lot of hanky-panky going on," Current said. "I just think there ought to be voter identification before anybody casts a ballot."

The National Conference of State Legislatures maintains records of the 27 states requiring identification before casting a ballot. Eight states require photo IDs at polling locations. The other 19 require some form of government-issued ID. *CJ*



Court: City Can Take Land Even If It Has No Firm Plans To Use It

Case involved city of Monroe and natural gas line

By MICHAEL LOWREY
Associate Editor

RALEIGH

State law lets localities use eminent domain for a wide variety of public purposes. Does that extend to acquiring land for a natural gas pipeline even if the town acquiring the land has no immediate plans to offer natural gas service to its citizens? The answer, according to the state's second-highest court in a January decision, is "yes."

The city of Monroe provides a variety of utility services, includ-

ing natural gas service. In April 2002, the city entered an agreement to draw natural gas from the Transcontinental Pipeline, which runs from the Gulf of Mexico to the northeastern United States.

The Transcontinental Pipeline does not, however, run through Monroe. Rectifying that involved building a 42-mile section of pipeline from the existing Transcontinental Pipeline in Iredell County to Monroe. To facilitate construction, Monroe, which is located in Union County, entered into an interlocal agreement with the Iredell County town of Mooresville and the Town of Midland in Cabarrus County.

Under the agreement, Midland was responsible for acquiring property for the pipeline in Cabarrus County. Monroe acquired a perpetual, nonexclusive right to use the easements Midland acquired in Cabarrus County "for continued location and operation of a natural gas pipeline and other public utilities."

Midland acquired the right to install a tap into the pipeline feeding Monroe and provide natural gas service in Cabarrus County if it chose to. The town never has provided natural gas service and has shown no intention of doing so.

In 2008, Midland started acquiring right of way for the pipeline. When negotiations with property owners failed, the town used eminent domain to obtain the needed properties. Fifteen landowners filed suit contesting the town's authority to use eminent

domain to acquire their land.

After a Superior Court judge ruled in the town's favor, the property owners renewed their challenge to the Court of Appeals.

The court turned to the property owners' argument that Midland's use of eminent domain was inappropriate under state law, as it did not intend to provide natural gas service.

Under state law, municipalities may use eminent domain to acquire land "for use by the city." The operation of a public enterprise such as a natural gas system to "furnish services to the city and its citizens" qualifies as such a public use.

The landowners contended, however, that the land was not for use by the town and its citizens, as Midland had no plans to operate a natural gas system.

The appeals court rejected this argument.

"Consistent with the broad mandates of sections 160A-4 and 160A-312, we find it manifest that Midland may acquire property by condemnation to establish a gas transmission and distribution system, even in the absence of a concrete, immediate plan to furnish gas services to its citizens," wrote Judge Linda Stephens.

The court also was not swayed by the property owners' argument that the takings were not for a public purpose. State courts previously have held that "the principal and dispositive determination is whether the general public has a right to a definite use of the property sought to be condemned."

The landowners argued that the court should reject the taking. Midland's residents have no right to a use of the pipeline, as the town may never offer natural gas service.

"Although the Midland citizens' right to a definite use of the pipeline is contingent upon Midland offering the services, that right is not barred by the fact that the current municipal administration has no plans to furnish services; the probability of the exercise of the right to use should not be conflated with the inability to exercise that right," wrote Stephens. (Emphasis in decision.)

"Accordingly, we conclude that the citizens of Midland do have a right to a definite use of the pipeline such that the condemnations satisfy the public use test."

The case is *Town of Midland v. Morris* (10-322-1). CJ



COMMENTARY

Smart Growthers Channel Orwell

When average citizens start to get restless because their rights are being violated, authoritarian planners just change the terms because they believe the masses are easily confused. Even better, hide your intent by not using any term that will identify your policies.

In early February, the 10th Annual New Partners for Smart Growth national conference was held in Charlotte. North Carolina's supporters of smart growth were swooning. Wake Up Wake County hailed the conference. "We're learning exciting, effective good growth planning strategies that Raleigh and Wake County could benefit from." *Charlotte Observer* associate editor Mary Newsom came away from the conference "with a notebook full of interesting ideas, factoids, and thoughts."

The conference was funded by the usual cast of government agencies eager to expand their ability to control the lives of American citizens, private businesses that feed at the government trough, and liberal foundations looking to further their statist ideology.

One theme at the conference, highlighted by Raleigh planning director Mitch Silver, was that the term "smart growth" might have outlived its usefulness. Some want to scrap the term entirely or substitute "prudent growth" or "responsible growth."

Silver, confident he was speaking to a friendly audience, let go with this comment: "I vote for not calling it [smart growth] anything, since any good planner/urban designer/policymaker worth her or his salt knows what to do anyway." That's right; planners should keep the public in the dark because they know "what to do anyway."

Remember when Squealer, in George Orwell's novel *Animal Farm*, used the term "readjustments" to hide the fact that the food rations given to the working animals were drastically reduced?

My guess is that most of those attending — especially the government bureaucrats, business representatives, and foundation execu-

tives — have incomes much higher than the average citizen and they don't worry much about housing affordability. But low- and moderate-income citizens do. The bottom line of a new study by Demographia, outlined by Joel Kotkin, is that smart growth drives up the price of housing, making it unaffordable for many.

The study looks at housing prices internationally and compares the price of housing relative to household income. Historically, median housing prices have been three times yearly median household income. Where smart growth policies, such as restricting the amount of land available for housing, have been implemented, housing prices surged to nearly five times median household income.

According to Kotkin: "Limits on the kind of residential living most people prefer" — a single-family house with a front and back yard — "inevitably raise prices. As the Demographia study shows, the highest rise in prices relative to incomes generally has taken place wherever strong growth controls have been imposed by local authorities."

Where have housing prices remained near the historic 3:1 ratio? You guessed it. In Raleigh and other places in the South and Southwest, especially Texas, where smart growth zealots have had little impact, until recently.

The John Locke Foundation documented smart growth's impact on N.C. cities in the report "Planning Penalties in North Carolina: Why other N.C. cities should not follow Asheville and Wilmington."

If the smart growth elite who attended this conference in Charlotte gets its way, affordable housing will cease to exist in Raleigh and all of North Carolina's cities. Remember, the smart growth elite believes: "All animals are equal, but some animals are more equal than others," and they, like the pigs, live in very nice houses. CJ

Michael Sanera is director of research and local government studies at the John Locke Foundation.



MICHAEL SANERA

From the Newsstands

Tea and No Sympathy

As documented in *TIME*, fear of Tea Party reprisals has prompted career politician Orrin Hatch (the six-term GOP senator from Utah) to re-examine some of his go-along-to-get-along, inside-the-Beltway approach to legislation:

Hatch's recent voting record suggests he's sipping the tea. He's given up earmarks, dropped his support for the Dream Act, and backtracked from his TARP vote.

While Hatch might be "sipping the tea," his Tea Party critics aren't drinking the Kool-Aid. Asked whether his group might endorse Hatch in his 2012 Senate re-election bid, Utah Tea Party founder David Kirkham responded: "No chance."



occupations. Evenly distributed by race and ethnicity, that is. And if they are not, someone has been done wrong, somehow. Sowell says that, if you take a look around the world, "people aren't evenly distributed anywhere, in anything. Gross disproportions are the norm, whether or not there is any discrimination going on." He talks about Armenians

in the Ottoman Empire, and Chinese in Malaysia. He also cites an example closer to home: "I watch a lot of football. Over the years, I've seen hundreds of blacks score a touchdown. I have never seen a black player kick an extra point." And he

has a coda: "Imagine if there were different organizations supplying running backs and extra-point kickers. The ones supplying the extra-point kickers would have the EEOC all over them."

The Feb. 7 *Bloomberg Businessweek* features 92 pages of news and advertisements, but the publishers really could have wrapped up their latest issue after printing the first three sentences of the week's first substantive article:

Mediocre ideas survive longest in government. In business, at least, competition tends to cull the lame and the halt. But in the public sector, theories, particularly when enlivened by events, can linger for decades.

Because bad ideas tend to linger in government, the magazine goes on to tell us "we may be stuck for a good long while with what the State Dept. calls '21st Century Statecraft.'"

Those who don't get the value of competition might want to consult basic texts on economics.

The Feb. 21 *National Review* devotes a full three pages to a profile of economist Thomas Sowell, the Gastonia native whose perceptive analysis has generated so many fans among conservatives.

Among the more interesting segments of Jay Nordlinger's article:

In the course of our conversation, Sowell and I talk about one of his pet peeves: the notion that people ought to be evenly distributed across institutions and

Read Peter Coy's feature article in the Feb. 7 *Bloomberg Businessweek*, and you'll learn about more than just the ongoing debate involving simplification of the federal tax code.

You'll also learn about the concept of "tax expenditures," a term invented by high-tax advocates to support their argument that tax breaks remove money from its rightful owner: government.

To Coy's credit, he highlights an alternative view:

"To claim that forgone tax revenue is a government expenditure implies that the money at stake actually belongs to the government, which is graciously letting taxpayers keep it, rather than to the people who earned it," Michael F. Cannon, health policy studies director at the Cato Institute, wrote in a Cato blog last November.

Some tax breaks ought to be scrapped, of course, but not because they rob the government of revenue. Instead these breaks distort the choices individuals would make in the absence of the government's interference. This is true at the state level as well.

— MITCH KOKAI CJ

Wake County: Wrong Time to Ask For a Higher Transit Tax

By MICHAEL LOWREY
Associate Editor

RALEIGH

Wake County leaders have delayed holding a referendum to increase the county's sales tax to fund transit programs. The vote could occur no earlier than May 2012.

Even so, Orange and Durham counties could hold similar referendums this November, reports the *Raleigh News & Observer*.

Before putting the measure before voters, a Wake transit plan would have to be approved by the county commission and the 12 municipalities in the county. Transit planners aren't quite done developing the outline.

"It's not going to be this fall because there is no plan yet," said Wake County commissioner Tony Gurley. "That's the big issue."

County Manager David Cooke thinks this fall might also be a bad time to ask voters to approve a 0.5 percent-age-point increase in the sales tax.

"In the public's mind, it's a tough sell on — if you're in a position to cut service or lay off employees — to have a conversation about adding a new revenue stream so you can do something new," Cooke said.

Transit often is discussed in Trianglewide terms, including a possible light rail line running from Research Triangle Park to downtown Raleigh. Wake and Orange county leaders say they might proceed with a transit sales tax vote even if Wake holds off.

"I wouldn't want to be held back by Wake if in fact our two counties can agree on this," Durham Mayor Bill Bell said. "Of course, I still want endpoints in Orange and Wake — I'm not getting away from that."

Winston-Salem stadium sale?

The city of Winston-Salem is again offering for sale Joel Coliseum and Bowman Gray Stadium to the universities that are the facilities' primary tenants. What's different now is that the city has made the talks a priority, says the *Winston-Salem Journal*.

Wake Forest University's men's and women's basketball teams play their home games at Joel Coliseum under a lease that expires in 2015. The major users of Bowman Gray Stadium are Winston-Salem State University, which plays its home football games

there, and a company that holds stock-car races on weekends in the spring and summer. The leases run through 2037 and 2027, respectively.

The city loses about \$850,000 a year operating the two facilities.

"I don't know if the city wants to get rid of the buildings," said City

Manager Lee Garrity. "It's just, in this 'new normal,' where our economy is so tough, is there a way to reduce our costs?"

Winston-Salem has had discussions about selling the arenas in the past, but

there had never been much urgency.

"Now that the city council has included it in its strategic priorities, it creates, I think, some more formal opportunities to talk," WSSU spokeswoman Nancy Young said. "It's going to take a while to look at all the aspects to be sure it makes financial sense."

Wave Transit extension, fee?

New Hanover County officials are proposing to provide bus service to Pleasure Island and Wrightsville Beach. The question is mainly how to pay for the service, with one option being proceeds from an additional tax on cars, reports the *Wilmington Star-News*.

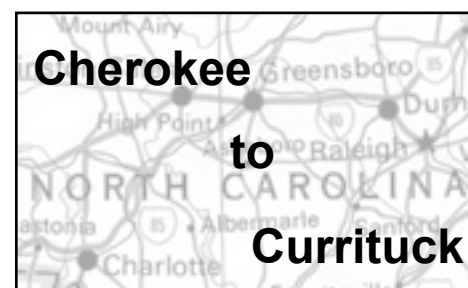
Wave Transit, the New Hanover transit agency, is hoping to offer year-round service to Pleasure Island, allowing residents easier access to jobs and shopping. A seasonal route with trolley-style buses aimed at tourist destinations on the island such as N.C. Aquarium at Fort Fisher also is envisioned. Wrightsville Beach could get seasonal trolley service as well.

Funding for the routes has not been determined. A year-round route would cost \$220,000 to operate. "I think it's necessary that we do it," said Jonathan Barfield, chairman of both the New Hanover County Board of Commissioners and the area's transportation advisory committee.

"The question is, how do we pay for it?"

One option covering the costs of the proposed routes — and then some — would increase the yearly tax on automobiles. A \$7 increase in the per vehicle tax would bring in \$1.1 million a year.

Barfield favors holding a referendum on the tax increase but has not stated whether he's for or against the tax. CJ



PTI Sees Passenger Facility Charge As Best of Bad Alternatives

By SAM A. HIEB
Contributor

GREENSBORO

Passengers should expect to pay a little more to fly out of Greensboro's Piedmont Triad International Airport.

The airport's seven-member authority recently voted to ask the Federal Aviation Administration to allow the airport to place a \$4.50 passenger facility charge on every airline ticket purchased.

Authority member and Forsyth County Commissioner Gloria Whisenhunt cast the lone "no" vote.

"I'm the only board member that's elected, and you look at things differently when you're elected," Whisenhunt said in a phone interview. "I had constituents calling me voicing their concerns, and I think they had very legitimate concerns."

Even so, PTI officials say they need a source of additional revenues, and a PFC is the best available. Without a PFC, PTI would have to increase landing fees, said PTI Director Kevin Baker in a phone interview. Landing fees are based on the weight of planes using the runways. Increasing them would compromise the airport's competitiveness, he warned.

"We're concerned that our landing fees will be so high it will affect our competitive position," Baker said. "We would be in a position where it would be difficult to lure low-cost carriers, and we might even be threatening our position with our existing carriers."

For her part, Whisenhunt said she spoke with one constituent who owned a company that has employees fly four to five times per week. The PFC could "add \$50,000-\$60,000 a year to their bottom line," Whisenhunt said.



"That's very difficult in this economy."

Whisenhunt suggested that the airport either delay the PFC or reduce it by half. But for now it appears as though the FAA will approve the airport's request as approved by the authority, perhaps later this year.

"I can't imagine the FAA saying no, with so many other airports having them," Baker said. "It's a standard tool for airports. We're just coming late to the game."

According to the FAA's website, the PFC program allows airports to collect the fees "to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition."

The federal government caps PFCs at \$4.50, but *USA Today* recently reported that the Obama administration proposed raising the cap as part of its budget proposal, which would at the same time slash airport construction funds.

PTI has tried to land a major low-cost carrier for more than 20 years, Bak-

er noted. The airport believed it had finally made the big score in 2007 when low-cost carrier Skybus announced it would make the airport a hub.

News photos at the time showed then-Gov. Mike Easley and Skybus CEO Bill Diffendorffer smiling ear-to-ear and proudly displaying "Welcome Triad" signs at a press conference.

The airport immediately jumped on board, signing an incentives package worth \$50 million that included new construction. The state and local governments also pitched in.

But it was not meant to be. By April 2008, Skybus was bankrupt, citing rising fuel prices. PTI still has not recovered, and now passenger boardings are "at 1980s levels," Baker said.

"If the world were cranking right now, and we had 1.5 million passengers right now instead of 850,000, and flight carriers were going full steam, then we would have less of a need for [the PFC] because we'd be recouping it in landing fees," Baker added.

The airport also needs the PFC to

help with maintenance and construction costs on its new \$150 million runway. The federal government picked up most of the tab, but the airport's share of the cost was \$30 million, financed over several years.

The runway was built as part of the deal to lure a FedEx hub to PTI. Local officials predicted the hub would be a driver of economic development. Forecasts suggested that not only would the hub itself provide as many as 1,500 jobs, but companies also would spring up around the airport, hoping to take advantage of the hub's proximity to ship time-sensitive products.

Neither scenario has come true, at least so far. FedEx has been hit hard by the downturn in the economy and has provided fewer than half of the projected job totals at the new hub, while available land surrounding the airport sits mostly undeveloped.

In fact, an existing building across Bryan Boulevard just became available, as American Express recently announced it was shutting down its Greensboro call center, costing the Triad 1,500 jobs.

Economic developers still expect PTI to become an "aerotropolis" once the economy turns around. And all has not been doom and gloom at PTI. Honda Aircraft Co. announced in 2007 it would locate its world headquarters and production facility at PTI, employing as many as 300.

But Baker said PTI must stay ahead of its competitors when possible. "In order to remain competitive, we have got to keep our cost of doing business here competitive with the other communities around us," he said. "Taking no action is a greater risk than taking this action." CJ

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'Unnamed Source' Paid for Perdue Campaign Flight

Continued from Page 1

with were not cooperative, and it soon became clear the DA was investigating the matter. We stopped our efforts because we didn't want to interfere in an investigation," he added.

Fulenwider chartered the Beechcraft King Air operated by Profile Aviation. The flight originated in Hickory, about 20 miles from the Fulenwider home in Morganton. The aircraft stopped in Chapel Hill, presumably to pick up Perdue, her husband, and Zaytoun. Perdue has homes in New Bern and Chapel Hill. The purpose of the flight was for Perdue to travel to Manteo for a political event involving former state Senate President Pro Tem Marc Basnight, D-Dare.

Check solicited

According to the grand jury indictment, and information previously reported in *CJ*, Caldwell solicited a check from Fleming for \$3,048.50 to pay for the airplane. (See "Why Didn't Perdue Use Cheaper State Plane?" Oct. 2010 *CJ*.) State elections records show it was the only campaign contribution Fleming had given to a political committee for at least 20 years. The indictment stated that Fleming's

check was made out to Profile Aviation. Caldwell then reimbursed Fleming in cash provided by someone else, hiding the true source of funds used to pay for Perdue's campaign-related transportation.

The Perdue campaign reported the flight as an in-kind contribution from Fleming. An in-kind contribution is a way to make a noncash donation to a political campaign, but contribution limits still apply. The campaign treasurer properly recorded the value of the in-kind contribution as both a receipt and then a corresponding expenditure. Making a contribution in the name of another or making contributions above the legal limit are violations of North Carolina's election laws.

The Perdue campaign also reported an in-kind contribution of \$1,194 from Caldwell's wife, Ola, on the same day. Records indicate her contribution was associated with the same flight.

No calls returned

Neither Fulenwider nor Zaytoun returned multiple calls from *CJ* seeking comment on the Caldwell indictment. In a September phone interview with *CJ*, Fulenwider confirmed that he arranged the flight, but said that since he already had given the maximum con-

tribution to the Perdue campaign, he couldn't donate any more. He denied paying for the flight in someone else's name.

At the time of the flight, Mike Fulenwider, Joella Fulenwider, Caldwell, Zaytoun, and Zaytoun's wife Lucetta each had given the maximum \$4,000 to the Perdue campaign. After the 2008 May primary, state law allowed them to make another \$4,000 donation to Perdue, and each did.

Caldwell is a former state magistrate and a former chairman of the Board of Trustees of Western Piedmont Community College in Morganton. Gov. Mike Easley first appointed Caldwell to that board in 2002 and then again in 2006. He served as chairman from October 2008 to September 2010. Perdue reappointed Caldwell in 2010. He resigned from the board the day after he was indicted.

Fulenwider and flights

Fulenwider is the CEO of Fulenwider Enterprises Inc., a company that operates several restaurants. He, his wife, and children gave a total of \$24,000 to the Perdue 2008 campaign. Previous *CJ* reports show he also is associated with questionable or unreported flights worth almost \$10,000. Per-

due appointed him to the North Carolina Economic Development Board in 2009.

Zaytoun served as Wake County Assistant District Attorney for four years beginning in 1978. He began his private practice in 1982 and specializes in personal injury and medical malpractice cases. He was co-chairman of



Still unclear is who paid \$4,243 for the use of this Beechcraft King Air for a Perdue campaign flight from Hickory to Manteo in December 2007. (CJ file photo)

Perdue's 2008 campaign for governor. He also is vice chairman of the North Carolina Health and Wellness Trust Fund Commission, appointed by Easley in 2001. The commission was set up to distribute tobacco settlement funds for medical-related grants in North Carolina. Perdue was chairman of that commission from 2001-08.

Farinella, a political consultant who lives in Florida, serves as the primary spokesman for the Perdue campaign even though he was not involved with the governor's 2008 election efforts. He arrived in North Carolina in July 2008 to serve as the state director of Barack Obama's presidential campaign. Perdue's campaign finance reports indicate that Farinella started consulting for Perdue's campaign in March 2010. He told *CJ* that the Perdue campaign did not welcome actions from contributors that were similar to those alleged in Caldwell's indictment. "There should not be any place for this in any campaign for any candidate, in any party," he said.

The story so far

After *CJ* and *The News & Observer* reported on Easley's unreported use of private aircraft for his political campaigns, Perdue's campaign committee quietly began revising her 2004 and 2008 campaign finance reports in 2009. Her campaign eventually disclosed and paid for 42 unreported flights valued at \$56,000. Perdue and others associated with her campaign claimed the unreported flights were not intentional.

Then-state Republican Party Chairman Tom Fetzler didn't buy that explanation. He claimed the unreported flights were a deliberate attempt to violate campaign finance reporting laws. In October 2009, he called on the State Board of Elections to launch an investigation. After a lengthy investigation by board staff, the board discussed the staff report at an August 2010 meeting. The board's three-member Democratic majority rejected a proposal from a Republican member to convene public hearings on Perdue's flying activities, so the board never questioned dozens of aircraft providers about their role in the free flights.

Perdue fined

The board fined the Perdue campaign \$30,000 and found "no intent of wrongdoing." Immediately after the board hearing, Willoughby said he was going to review the case.

In September, Willoughby acknowledged publicly that he asked the State Bureau of Investigation to look into Perdue's unreported flights because he thought the elections board might not have addressed the issues fully.

In October, Perdue acknowledged that federal authorities also were investigating her campaign. In February, Perdue said she had hired high-profile criminal defense attorneys Joe Cheshire and Wade Smith for legal advice related to the state and federal investigations of her campaign committee. *CJ*

The Perdue campaign said the flight was an 'in kind' contribution



The Morganton barber shop owned by James D. Fleming, the man who a Wake County grand jury alleges was solicited by Caldwell to write a check masking the person who really paid for a December 2007 Perdue campaign flight. (CJ file photo)

Audit Confirms Global TransPark's Massive Debt

Continued from Page 1

from the state," he said.

It is unclear how Thomas & Gibbs concluded that the FAA would have to be repaid — by communicating with FAA officials or relying on information from GTP officials. Shawana Karkouki, one of the authors, would not answer a query from *CJ* directly, instead saying the report stated the FAA "may" require funds to be returned.

The General Assembly created the authority 20 years ago to select a site and develop an industrial complex around an airport. It selected the Kinston Regional Jetport, a 2,500-acre former World War II military airfield, operated by a local airport authority. The project has two separate components — a public airport and an industrial park seeking tenants. The latter activity has caused the financial problems. Annual operating revenue for the year ending June 30, 2010 — mostly from building rents — was \$1,441,143. This was not enough to cover operating expenses of \$5,405,478.

An economic impact analysis prepared by the N.C. Department of Commerce in June documented a mere 232 total jobs located at the GTP while claiming those jobs produced a total annual economic output of \$42.5 million.

In 2008, the park landed an "anchor tenant" in Spirit AeroSystems, a Wichita, Kan.-based company that will manufacture large aircraft components. The anchor tenant came at a high cost to the public. While Spirit officials have stated the company plans to invest approximately \$500 million in the facility, state officials committed subsidies in excess of \$200 million



In 2008 the state landed an anchor tenant for the Global TransPark, Spirit AeroSystems, a Wichita, Kan.-based company that will manufacture aircraft components. Its TransPark facility is shown above. (CJ file photo)

to attract the company. If Spirit hires 1,000 workers as planned, the cost to taxpayers may exceed \$200,000 per job.

\$100 million promise

A major component of North Carolina's incentive package is an agreement for GTP to pay \$100 million toward Spirit's building. The TransPark also obtained a \$100 million grant from the Golden LEAF foundation to secure the Spirit project. GTP will own the structure and lease it to Spirit for \$100 per year. Since rent is the park's primary source of revenue, Spirit will never generate enough money to help

GTP repay its debt.

After the audit was released, FAA Atlanta media relations manager Kathleen Bergen reiterated the FAA's position. "Regarding economic development, the FAA program is based upon aviation demand, not economic development," she responded in an e-mail. "We treat those two operations totally separately and with different rules. Aviation demand is primary, and we would not be concerned if there was no economic development."

"The FAA is only concerned that the airport has a legal sponsor who can honor

all of the outstanding and future assurances. Who that sponsor is, is not a concern," Bergen added.

Rep. Stephen LaRoque, R-Lenoir, told *CJ* he was well aware of the TransPark's financial situation. He said the airport operation should be separated from the industry recruiting function. The Department of Commerce could take over industry recruiting, and the airport operation could be placed under a separate entity — possibly a new Kinston-Lenoir County Airport Authority. He offered no specific ideas on what to do about the \$38 million debt.

In her budget proposal for the 2011-12 fiscal year, Gov. Bev Perdue has recommended that the Global TransPark Authority be moved into the N.C. Department of Transportation.

The loan

The General Assembly authorized the GTP to borrow up to \$25 million from a fund managed by the state treasurer known as the Escheat Fund. An escheat is the succession of unclaimed property to the state, often resulting from someone dying with-

out a will or any known heirs. It also includes any property or funds unclaimed or abandoned, including utility deposits or bank deposits. The treasurer's office searches actively for the rightful owners of unclaimed property.

The current total value of the Escheat Fund is \$400 million.

The \$21,741,952 principal and net accrued interest expense on the GTP loan represent a balance of \$38,360,998 due the fund as of June 30, 2010. The interest expense for the year was \$2,181,718. With no payments and another year's interest, the balance will likely exceed \$40 million by the end of the current fiscal year June 30.

The interest on the Escheat Fund goes to the State Educational Assistance Authority to pay for grants, loans, and scholarships for North Carolina students attending public universities and community colleges. In 2009, the treasurer's office said 88,000 students were receiving assistance from the program.

The FAA says its support of the airport is not dependent on economic development

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Young: Teaching of Composition Now a Dumbed-Down Enterprise

BY CJ STAFF

RALEIGH

If you don't buy into the notion that newer is better, or that modern ideas trump those steeped in tradition, you might appreciate the journal *Modern Age*.

The editor of that internationally known publication is R.V. Young, professor of English at North Carolina State University. In a public presentation, Young described how "Liberal Learning Confronts the Composition Despts."

That title referred to the teaching of college-level English composition classes. Young discussed the topic with Mitch Kokai for Carolina Journal Radio. (Head to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: You used English composition as sort of the micro-example of the macro world of poor changes in the way people are taught in universities. Why did you choose English composition?

Young: There are two reasons. One is it's the field I know most about. I'm in an English department, and I've taught the course. Second, however, a point I made in the talk is that everybody takes English when you go to the university.

It's the course that touches virtually every student who comes through, and it's also that the composition course is the foundation for all the reading and writing that students will do throughout the rest of their university studies. So it's very fundamental. Changes in it are going to affect education throughout the four-year program and beyond.

Kokai: English composition was taught in what way when you started, and how has it changed?

Young: When I started, it was taught mostly by tenure-track faculty, usually by assistant professors of the sort I was at the time.

Essentially, what we did was bring to the course our training in literature: how to read rich, complex works and understand them, and then how to write about them. We used the skills that we ourselves were developing as budding scholars of writing and organizing ideas and writing as best we could in a reasonable, clear, and literate style.

We taught the students in our classes almost in an apprentice fashion, let's say. We taught them the things that we were doing.

Over the course of the last 30 to 40 years, composition teaching has been taken over by a kind of cadre of

"Over the course of the last 30 to 40 years, composition teaching has been taken over by a kind of cadre of theorists who keep coming up with new, different sorts of social science-based ideas of how students learn. They have banished literature from the writing classroom."

R.V. Young
Professor of English
N.C. State University



theorists who keep coming up with new, different sorts of social science-based ideas of how students learn. They have banished literature from the writing classroom.

I have heard many of them say that reading and writing have nothing to do with each other, which sounds to me like saying talking and listening have nothing to do with each other. Of course, we've all run into people who talk without listening, but I don't think that's a good example. So it's a bad idea.

Nowadays, tenure-track faculty, even assistant professors, don't ever teach freshman composition. They haven't had the theoretical training. They haven't studied a little watered-down cognitive science.

So instead of teaching composition being a practice that older, more experienced writers share with young novices in the field, it's become almost a sort of pseudo-scientific discipline in which they're manipulated into learning how to do things according to the scheme that the theorists have developed.

Kokai: With the change that you just outlined, what types of problems does that create for students and their ability to learn the type of knowledge they need when they get out of a university?

Young: In freshman composition nowadays, they do some reading, but it's always contemporary and, in my view, rather shallow, timely things about popular culture. They are not asked to read and reflect upon what we would call the classics of Western literature and thought. I'm using literature rather broadly here.

I don't mean just stories, plays, poems, novels, that sort of thing. I

would consider in this context Aristotle and Plato and John Locke, to take a nice example, as works of literature, classic works that have laid the foundations of Western civilization. If they know these works, have been forced to read them carefully, think about them, write about them, then they will be able to judge and assess the things that are coming at them at record pace over the Internet and through all the various digital media, all that information and data out there. They'll at least have some basis for assessing it, judging it, evaluating it.

The way we're teaching freshman composition, we are basically steeping the students in the world they're already in, the student world of texting and twittering and pop culture and that kind of thing, so they're trapped in it.

They never get out of it. It's as if they are being kept in an extended childhood, insofar as the content of their courses is the content of their texting and their Facebook pages and so on.

Kokai: To some extent — I'm paraphrasing you, so please correct me if I'm wrong — but I got the sense from your presentation that because these students are not being taught in the traditional way, they're not getting the ammunition they need to confront all of the pundits and politicians who will tell them what those pundits and politicians think they want to hear.

Young: That's exactly right. If all you've ever read are popular accounts of emerging issues — and it doesn't matter if it's someone on the left or on the right — if all you know is what people are saying right now with a specific political agenda, you don't know the sources of Western civilization, Western politics, morals, reli-

gion, that these current commentators and politicians are trying to reinforce, change, make an impact of some kind on. So you can't really bring a learned judgment to it.

Just take politics: If you haven't read Plato's *Republic* and Aristotle's *Politics* and Cicero's speeches and people like Locke and Hobbes, people like Edmund Burke, then you don't have a basis for deciding between, say, George Bush and John Kerry, or Barack Obama and John McCain.

If you have read this long tradition, then you have a context in which to assess people who are trying to persuade you to make very important decisions nowadays. You've got a context for judging it.

Kokai: If we wanted to change the situation and return some of the critical thinking that is actually part of the education process — and not what passes for critical thinking today — what would change?

Young: We would have to have a far more set, rigorous curriculum than we do now. Freshman composition should be two semesters rather than one, as it is now.

It should involve substantial reading in standard classic works from the past of the Western tradition. The curriculum, on the whole, should have more common courses. Students can get a degree in most institutions of higher learning nowadays, and they will have no common core at all.

They may not have read any of the same books, learned any of the same skills. In order to be educated, you have to share a common fund of knowledge, an outlook, a set of skills, with other educated men and women.

What we've got now is a huge smorgasbord. CJ

Students Play Major Role In D.C. Conservative Meet

By JENNA ASHLEY ROBINSON
Contributor

RALEIGH
Students flocked to the 38th annual Conservative Political Action Conference in Washington, D.C., Feb. 10-12. Roughly half of the 11,000 attendees at the conference were under 30.

CPAC, an annual project of the American Conservative Union Foundation, is the largest gathering of conservative leaders and activists in the country. At the three-day conference, conservative activists from across the country attended speeches by Mitt Romney, Ron Paul, Tim Pawlenty, Ann Coulter, Mitch Daniels, and other prominent leaders. Attendees from every state in the union took advantage of dozens of exhibitions, panel discussions, film and documentary premieres, and social events designed to engage conservatives.



Jennifer Jones, a student at Salem College in North Carolina, was excited to arrive in Washington and help to “represent the pro-liberty perspective of our generation.” She attended CPAC to help Students for Liberty and the Prometheus Institute educate other students about the opportunities and resources available. Although she mostly was working, she made time to hear two favorite speakers — Christopher Preble of the Cato Institute and Rep. Ron Paul, R-Texas.

CPAC has a lot to offer student attendees: The admission price is low (only \$35); many groups give out free books and other products; and others sponsor student-only luncheons, training sessions, and job fairs. One panel even featured student activists’ own stories of success on campus — and advice to future student leaders.

John Eick, who spoke on the panel about his experiences at UNC-Chapel Hill, was happy to share the lessons he’s learned from his four years of experience in campus activist groups. “CPAC has a long history of welcoming young conservative activists,” he said. “CPAC affords us the opportunity to learn from fellow conservative activists and allows us to seek refuge by surrounding ourselves with like-minded people at least one weekend every year,” he said.

Two other panels focused on an important campus issue — free speech. “Defending Free Speech on Campus”

featured Professor Mike Adams from UNC-Wilmington, Adam Kissel of the Foundation for Individual Rights in Education, Richard Brake of the Intercollegiate Studies Institute, and Professor Jan Blits of the University of Delaware. In that panel, students learned the extent of free speech restrictions on college campuses. They also learned about the resources available to help them combat such problems.

Another panel, “Free Speech and Israel on Campus: How Students are Speaking Up,” featured Jeremiah Nasiatka of Christians United for Israel.

Young America’s Foundation sponsored a student luncheon with Erick Erickson of RedState.com. The Clare Boothe Luce Policy Institute, which provides advice, training, and guidance for young conservative women, hosted a luncheon for female students with Michelle Duggar, star of TLC’s “19 Kids and Counting.”

The Leadership Institute, the Intercollegiate Studies Institute, and the Year of Youth also offered programs for students. Students could learn how to bring a conservative course, “Conservatism 101,” to campus, how to start a career in politics, or how to become a conservative journalist.

Other student groups sponsor booths at the event, including Young Americans for Freedom, Ron Paul’s Young Americans for Liberty, and Youth for Western Civilization. There was even a College Republican hospitality suite offering free food and drinks to all registered members.

In addition to benefiting from opportunities at CPAC, students are a resource for improving higher education and furthering freedom. Without students to agitate on campus, lodge complaints, and question administration, reforming higher education would be much more difficult. CPAC offers organizations like the Pope Center and FIRE a chance to reach out to students. These students are leaders on their campuses. They can — and do — identify problems on campus and act as co-hosts for speakers who otherwise would not be invited by college administrations. CJ

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

COMMENTARY

Monty Python Goes to College

The British comedy group Monty Python’s Flying Circus blazed like a comet across the world of humor from 1969 to 1974 with a weekly BBC program. Later, the group made several movies, the best known probably being “Monty Python and the Holy Grail.”

I have been a fan since seeing another Python movie, “And Now for Something Completely Different,” around 1975. My sons are hooked, too. They can recite long passages of Python dialogue from memory.

Appreciation for Monty Python’s zany comedy is widespread, but I never expected to see a scholarly conference about the group. In the Feb. 4 edition of the *Chronicle of Higher Education*, however, you’ll find an article, “Monty Python’s Academic Circus,” by Georgia State University English professor Randy Malamud.

Malamud writes — with just the right blend of humor and bemusement — about an academic conference held in Lodz, Poland, last fall devoted to Monty Python. “Upon seeing Internet postings for ‘Monty Python in Its British and International Cultural Contexts, or How to recognize the Spanish Inquisition from quite a long way away,’ all of the attendees at first thought it was a joke,” Malamud notes.

No, it was not a joke. It was two days of presentations and discussion on various aspects of Monty Python’s work — although that word seems ill-fitted to nutty nonsense like “The Cheese Chop Sketch” (which, along with other sketches, can be found on YouTube). But is it possible to turn comedy into a subject for academic research?

Malamud is aware of the difficulty and quotes E. B. White: “Analyzing humor is like dissecting a frog. Few people are interested, and the frog dies of it.” With that in mind, let’s take a look at some of the revelations and goings-on at the conference.

In a number of Python sketches, a huge, 16-ton weight falls on hapless characters. Conference attendees learned that the prop had been created of polysty-

rene on Dec. 19, 1969, was broken in July 1970 when it hit someone on the head, and was subsequently repaired and reused.

- During the Falkland Islands War in 1982, the British ship HMS Sheffield was badly damaged in an Argentine bombing attack. While awaiting rescue, the sailors sang the Monty Python song “Always Look on the Bright Side of Life.”

- Sociologists delved into the meaning of sketches. One paper presented was titled “Mr. Gumby, Chartered Accountant, and Sir John: Social Structure in Sociological Mirror of the Pythons.”

- Feminist scholars got into the act, presenting papers on “The Representation of Women in Monty Python’s The Meaning of Life” and “The Body, Desire, and the Abject in Monty Python’s Flying Circus.” (That’s how the program reads. I suspect that “abject” was supposed to read “object.”)

- Academic conferences never wander far away from some kind of theory, and attendees here were treated to a paper on “Monty Python’s Humor and the Conceptual Integration of Theory.” I have a hard time imagining what theory was conceptually integrated in “The Dead Parrot Sketch.”

- Monty Python is all about jokes, so why not investigate the nature of jokes? One paper did — but the attendees probably were not rolling in the aisles listening to “Where Lies the Meaning of a Joke? The Use of Cognitive, Semantical, and Pragmatic Perspectives in the Analysis of Monty Python Sketches.”

The more I read about the conference, the more convinced I became that E. B. White was right. Only professors could take seriously the notion that Monty Python poses “issues and problems.” Good grief. It’s just comedy. If the troupe were still going today, they might write a sketch on college professors who take unserious things very seriously. CJ

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



GEORGE LEEF

Campus Briefs

Michael Boskin, the T. M. Friedman Professor of Economics at Stanford University, gave a down-to-earth discussion of the state of the economy at North Carolina State University Feb. 15. His talk, "Economic Policy and the Economic Crisis: Successes, Failures, Unfinished Agenda," was part of the John W. Pope Lecture Series.

Boskin is a senior fellow at the Hoover Institution, as well as a Stanford University professor. He served as chairman of the President's Council of Economic Advisers from 1989-93. He also chaired the highly influential blue-ribbon Commission on the Consumer Price Index, whose report transformed the way governments around the world measure inflation, Gross Domestic Product, and productivity.

Boskin's talk was full of dramatic PowerPoint slides showing the impact of the current recession on jobs, housing prices, and GDP. He criticized many decisions by the government in connection with the crisis. However, he is "cautiously optimistic" about the future, if spending is brought under control.

Steve Margolis, economics professor at N.C. State and co-chair of the lecture series, said he chose Boskin as a speaker because of his timely message. "The most compelling economic topic at the moment is the emerging crisis of deficits, government debts, and underfunded entitlements. Also, our students really should be getting concerned about this. The topic led me to recruit Michael Boskin, who could speak on this with authority on the basis of both his research history and work in government," Margolis said.

The John W. Pope Lecture Series is hosted by N.C. State's College of Humanities and Social Sciences and the Poole College of Management to encourage dialogue on topics of political and economic interest. The lecture series is supported by a grant from the John W. Pope Foundation.

While at N.C. State, Boskin also addressed faculty in an informal presentation, along with the members of the Society for Politics, Economics, and the Law, a student group. CJ

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

Universities and Businesses Join in Aquaculture

By DUKE CHESTON
Contributor

For more than 20 years, the government of North Carolina has been supporting aquaculture — commercial farming of aquatic creatures, from catfish to crawfish to tilapia.

The University of North Carolina has played an integral part in that process, with research conducted by North Carolina State University and the University of North Carolina at Wilmington.

The university's role in industries like aquaculture was outlined in the UNC Tomorrow Report of 2007, which said that universities should "lead economic transformation and community development."

In mid-February, the North Carolina Aquaculture Development Conference was held at the Sheraton

Hotel in Atlantic Beach. Despite the dismal weather, scientists, vendors, extension agents, and prospective and current fish farmers turned out in record numbers for the 23rd edition of the event. The N.C. Aquaculture Association, along with a handful of related businesses and industry groups, were sponsors.

According to several speakers, North Carolina's state government is exceptional in the assistance it provides to the state's aquaculture industry, through both academic research and university-based extension (i.e., consulting) services. State sponsorship of the industry began with the 1989 Aquaculture Development Act, ordering the Department of Agriculture to provide assistance to fish farmers, and allocating \$186,162.

Craig Watson, director of the University of Florida at Gainesville's tropical aquaculture laboratory and a speaker at the event, praised the state of North Carolina's support of the industry. "The number of professionals with solid backgrounds is impressive," he said. "We have some good people here in Florida as well, but not as many or as well-distributed geographically and by field of expertise."

Yet, despite the impressive work the scientists and extension agents are doing, the state's fish farming industry remains fairly small — generating about \$52 million in revenues in 2010, about \$2 million less than a year ago. For comparison, the state's agriculture industry as a whole (aquaculture included) accounted for \$9.2 billion in 2009.

Indeed, Watson pointed out that nationwide the aquaculture industry has been in decline for the last decade or so. Large-scale importation of cat-

fish from China and Vietnam has hurt catfish farming, the biggest segment of the market, significantly.

The sluggish state of North Carolina's aquaculture, in spite of generous government support, raises the question of how much the subsidies are helping the industry.

Yet researchers are working assiduously to lower the costs and increase the yields of fish farming. N.C. State professor Harry Daniels, for instance, has been trying to figure out

no more land," he said, "and we're making lots more people."

Feed represents one of the largest variable costs in the business, so several researchers have been focusing on ways to cut feed costs. N.C. State's Russell Borski, for example, is developing fish feed from fermented mechanically deboned poultry meal, and UNC-Wilmington's Shah Alam has been experimenting with feed made from soybeans. Results so far appear promising.

Marc Turano, the mariculture and blue crab specialist at North Carolina Sea Grant, the state-level subsidiary of a federal agency of the U.S. Department of Commerce, oversees the distribution of federal and state dollars to different research endeavors. Turano said the work is important, even if its impact can sometimes be difficult to measure.

"Publishing a paper on fish diets that changes the formulation for a feed on thousands of acres of fish farms," he said, "is not nearly as attractive [in terms of publicity generated] as a new species discovery or anything with climate change these days."

And so the discussion continues. In the meantime, the conference's Friday evening "Aquafood festival" featured tank-grown Atlantic sturgeon, cooked Cajun-style.

Government funded or no, conference goers found it tasty. CJ

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



how to produce higher yields of female flounder. Female flounder grow larger and faster and are therefore more commercially valuable.

Daniels and his fellow researchers have developed interesting ways of producing higher yields of females, though many kinks have yet to be worked out.

At the conference, fish farmers were very appreciative of the work being done by the universities. "They bend over backwards" to help, said tilapia farmer Randy Gray from Pikeville. Gray conceded that not all scientific research is valuable, but he was adamant that research related to food supply is critical. "They ain't making

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As of January 2005, there were over 60,000 homeschoolers registered in the state of North Carolina.

Opinion

UNC Budget Cuts Provide Chance to Improve Quality and Efficiency

In recent years, expansionist policies have pushed the University of North Carolina system far beyond its natural limits.

The current 2011-13 budget period provides an opportunity to restore the university system to its proper size and role. This corrective action should result in a university that is not only more sustainable financially, but also of higher quality and more equitable in its policies.

In order to ensure that budget cuts lead to better quality and efficiency, the Pope Center recommends using the following six criteria to determine whether to reduce or eliminate appropriations: 1) reducing excessive costs or excessive growth; 2) improving quality; 3) eliminating politicization; 4) eliminating "mission creep"; 5) eliminating redundancy; and 6) eliminating programs no longer needed due to changing conditions.

1. Excessive Costs and Growth

Enrollment Growth. The recent rate of growth in the university population is unsustainable. The population of North Carolina grew approximately 16 percent between 2000 and 2009; over that period, UNC enrollment grew 38 percent. This growth places an increasing burden on taxpayers to subsidize additional students — often in academic disciplines where jobs don't exist.



**JAY
SCHALIN**

Enrollment growth can be curtailed in a number of ways: by placing caps on enrollment, by raising admissions standards significantly, or by changing the formulas for financial aid. Having more students, particularly those who need remedial classes, start college in the lower-cost community college system could save between \$30 million and \$100 million.

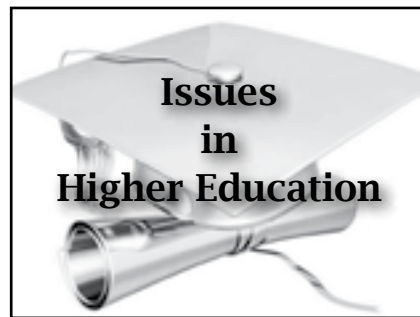
Need-based Financial Aid.

This is another area where the cost is exceeding the benefits. Current legislative plans to reform financial aid — based purely on need — will shift even more resources to the students least likely to perform at a university academic level. A merit component needs to be added to prevent this wasteful practice.

Faculty Workloads. The minimum course load for professors at some UNC schools is two per semester. At others, the minimum is two-and-a-half. While some research undertaken is valuable, much of it, particularly in the humanities and social sciences, does not warrant such a light teaching load. The limit should be raised, perhaps to three per semester.

2. Improving Quality

In times of prosperity, frivolous and unnecessary courses proliferate. While curriculum changes are not generally a legislative matter, the UNC system can be forced to prune many non-essential courses through



reductions to the management flexibility fund, in order to preserve the courses that are worthwhile.

3. Politics

A public university should strive to be politically neutral. The state should not be funding — or even giving its name to — programs or centers created by former politicians of either party. An example of this is two centers founded by former Gov. Jim Hunt, the Hunt Institute at UNC-Chapel Hill, and the Emerging Issues Institute at N.C. State University, both of which are employed by the legislature to provide expert advice on policy issues.

4. Mission Creep

Because the university trains professionals and experts in every walk of life, and because it conducts research in many areas, universities have tended to overreach into activities that should be undertaken by other departments and agencies. Areas where this has been especially common in health care, K-12 education, and economic development.

For example, Area Health Education Centers clearly belong in the Department of Health and Human Services, not in the university system. Even the land grant extension services — initially chartered to help farmers boost productivity — now are involved in social and environmental advocacy.

5. Redundancy

Another major source of excess

spending is redundancy. At some universities, multiple centers address the same issues, requiring duplicate staffing, office space, and funding. There is systemwide redundancy as well, when perhaps it would be better to limit the number of programs in a specific field of study.

Consider that Appalachian State University, Western Carolina University, and East Carolina University each have at least four centers dealing with entrepreneurship, innovation, and economic development. UNC-Chapel Hill has two African-American cultural centers. There are also at least four major marine sciences programs at UNC system schools.

6. Changing Conditions

Many UNC programs are based on out-of-date expectations from before the recession. Any plans made from prerecession demographic projections are particularly obsolete.

One example is a projected shortage of K-12 teachers. In response, various scholarship and loan forgiveness programs were instituted to attract more students into the teaching profession.

Not only has the state's population growth slowed, but many experienced teachers have been laid off. Furthermore, lateral entry programs, including Teach for America, are a growing source of teachers. Therefore, teacher recruitment and scholarship programs in the UNC system should be phased out. CJ

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

Do universities really make the local economy stronger?



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• In *Pathology of the Elites: How the Arrogant Classes Plan to Run Your Life*, Michael Knox Beran examines the false benevolence that characterizes the power classes in contemporary America. Their enlightened pity for their fellow citizens, he charges, conceals an instinct for power rather than compassion.

Beran argues that today's elites have come to rely on a social philosophy that reduces people to a mass of social groups and types, obscures their individual humanity, and makes them easier to manipulate. To learn more, visit www.ivanrdee.com.

• The First Amendment declares that "Congress shall make no law ... abridging the freedom of speech, or of the press. ..." Yet, in the succeeding 200 years, Congress and the states have sought repeatedly to curb these freedoms.

In *Congress Shall Make No Law*, noted legal scholar David M. O'Brien provides a comprehensive examination of the federal government's exceptions to the absolute command of the First Amendment, providing a history of each category of unprotected speech and putting into bold relief the larger questions of what kinds of expression should (and should not) receive First Amendment protection. Visit www.rowmanlittlefield.com to learn more. CJ

Movie review

'The King's Speech' a Touching Tale of Quiet Heroism

• "The King's Speech", Directed by Tom Hooper, The Weinstein Company, 118 minutes, Released Dec. 24, 2010.

By JOHN CALVIN YOUNG
Contributor

Ever felt embarrassed after stammering or stuttering in public? What if you were the son of a king and the whole world was watching? In "The King's Speech," directed by Tom Hooper, Prince Albert (Colin Firth), the future George VI, faced just that situation. As the second son of George V, he was expected to appear in public representing his father — and his nation. And yet he could barely utter a complete sentence. If Albert were no more than a young naval officer, this would not be a problem. But all eyes were fixed on the son of the man who ruled a quarter of the world's people.

The film opens with the prince's closing address at the 1925 Wembley Exhibition. In a scene that is painful to watch, Albert chokes on his words and barely makes it through his speech. He has visited all the specialists, and none has been able to help. His wife Elizabeth (Helena Bonham Carter) is determined not to let it drop, though, and soon visits the shabby consulting rooms of an eccentric Australian speech therapist named Lionel Logue (Geoffrey Rush) to arrange treatment for her husband.

The prince's therapy is indeed unconventional, with Lionel insisting on first-name relations and complete equality with his royal patient. His physical therapy and exercises seem ridiculous, but the couple is desperate. Elizabeth throws herself into encouraging "Bertie," and the two men form a close bond as the prince's impediment improves.

The film skips forward to 1936 and the death of George V. Bertie's brother, the heir, is proving increasingly unreliable and is obsessed with the American socialite Wallis Simpson. After his accession as Edward VIII, the scandal heats up — the king is told by the Archbishop of Canterbury and his advisers that he cannot possibly marry the twice-divorced Simpson, both of whose husbands are still living, as the king is the temporal head of the Church of England, which forbids remarriage for divorcees.

Following his father's death, a shaken Bertie pours out to his only trusted friend the hurt and the stress of his royal father's expectations and harsh correction, his childhood history of abuse and favoritism, and the incessant mockery from his more confident brother that has marked his life. When Lionel tries to tell the prince that he'd make a far better king than his brother — a statement that the loyal Bertie considers treasonous — the friends have a falling out.

Yet over the next few months Lionel's judgment is borne out as Edward resolves to abdicate rather than leave Simpson, and his younger brother is tapped to step into a role he never felt suited to fill. With Britain on the brink of war, the prince who couldn't speak must overcome his fears

to become the king his nation so desperately needs.

The film has some disagreeable moments, however, that belie its generally uplifting tone. As part of his speech therapy, Bertie frequently salts his words with profanity and obscenity, which he does not stammer over, and one notable scene is comprised almost entirely of a stream of Anglo-Saxon obscenities and profanity, goaded on by Lionel. As much of the film's events are set during the abdication crisis, multiple characters also discuss the scandal surrounding the American divorcee in tones ranging from guarded and oblique to highly suggestive. Nothing objectionable is shown on screen, but the film is still rated R for language.

"The King's Speech" is roughly historical, despite taking a number of liberties with timing in particular. Although dates are given in pivotal scenes, and the king's treatment and friendship with Logue did extend from 1926 through World War II, distinct improvements were notable within months, rather than years as depicted in the film. The timing is compressed visually, with few characters, including the children, showing any substantive aging between the start of treatment and the abdication crisis. The film also has other inaccuracies — notably, several scenes hint that George VI was strongly opposed to Hitler's rise, despite his chronicled support of Prime Minister Neville Chamberlain's policy of appeasement. A cameo characterization of Churchill also is rather inaccurate and quite distracting.

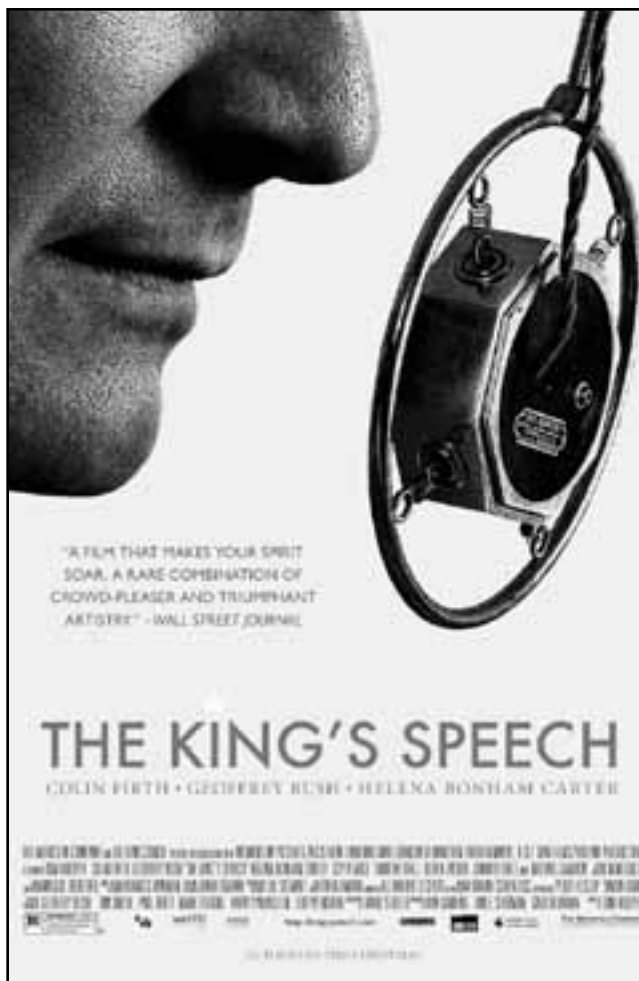
"The King's Speech" has enjoyed a well-earned critical and financial success so far. Despite a limited early U.S. release, box office returns have grossed more than \$120 million, far surpassing its \$15 million budget. U.S. release ex-

panded after the film received a well-deserved 12 Academy Award nominations. And though it has some stiff competition, it's likely to win a good portion of those. Look out for Danny Cohen's incredibly spare and personal cinematography, which masterfully illustrates Bertie's internal conflict through the course of the film with subtle framing cues and lighting shifts.

Firth and Bonham Carter in particular deserve recognition for incredibly emotional and sympathetic portrayals of an intensely private couple caught up in the most public of roles.

This film brings a unique look into the inner life of the monarchy, where personal decisions affect the stability of a nation. Being king doesn't mean you get to do whatever you want. Rather, it means an entire nation may suffer as a result of your decisions. At its rawest, this is a triumphant story about morals and character and friendship winning out over selfish intrigue and politics.

You're never quite so alone as when you're at the top — but Bertie has his family and his one friend. "The King's Speech" is not to be missed — it is a gripping, personal tale of quiet heroism and personal drama played out on the world's stage, one that will leave you with tears in your eyes. CJ



Jarvis and Carr Two Underappreciated North Carolina Governors

With fundraising scandals bringing unwelcome attention to former Gov. Mike Easley and current Gov. Bev Perdue, let's take a brief look at two underappreciated 19th-century North Carolina chief executives, Thomas Jarvis and Elias Carr.

Thomas Jordan Jarvis served with the Confederacy during the Civil War and practiced law in Columbia, N.C., before serving two terms in the General Assembly (1869-73). In his second term, he served as speaker of the House and presided over Gov. William Holden's impeachment. After Gov. Zebulon Vance resigned in 1879 to serve in the U.S. Senate, Lt. Gov. Jarvis assumed the governor's position for a year, and he won the gubernatorial election of 1880.

As governor, Jarvis earned a reputation for being a guardian against political corruption and for limiting government intervention in the economy. He sold the state's inter-



**TROY
KICKLER**

est in railroads to private companies; he lowered taxes; and he worked to ensure that a free-market environment existed for businesses to compete and prosper in North Carolina.

Although he worked for lower taxes, Jarvis established normal schools and mental health facilities across the state and built a new governor's mansion. Legislative fiscal constraints delayed some projects, however.

After his term as governor, Jarvis served as U.S. minister to Brazil and in 1894 was appointed to replace the deceased Vance in the U.S. Senate. After losing a Senate election, Jarvis practiced law and maintained an interest in promoting education, including starting what is now East Carolina University.

Later in life, he also championed prohibition. Alcohol, he believed, thwarted educational efforts. He considered it a manly duty to promote initiatives that he believed would one day make eastern North Carolina into "a great leader in the industrial, intellectual, and moral development ... of our grand old state."

Elias Carr is also a fascinating historical figure. Never considered to be ambitious politically, Carr rep-

resented what some scholars have called the last in a "fading tradition of planter governors." The Edgecombe County native and Democrat with Populist tendencies served as governor from 1893-97. During the last two years of his administration, Carr's political vision was curbed by the Fusion alliance of Republicans and Populists in the General Assembly.

Born at Bracebridge Hall, a 2,000-acre plantation in Edgecombe County, Elias Carr seemed destined to be a planter. The young Carr was orphaned at age 4, and he went to live with his aunt and uncle in Warren County.

Although he earned degrees from the University of North Carolina and the University of Virginia School of Law, Carr planned to live a planter's life and purchased his brother's interest in Bracebridge Hall.

Carr earned a reputation for championing farmers' interests. After the Civil War, he served as an officer in several organizations, including Farmer's Institute of Edgecombe County, the North Carolina Farmers Association, and Farmer's Alliance. Serving in the latter position during the 1880s brought national attention. As time went on, many farmers con-

sidered political participation a necessity to sustain their livelihoods.

As talk of third parties abounded in the early 1890s, Carr was considered to be the man who could unite splintering industrial and farming interests in the state's Democratic Party. In the election, he received a plurality of the votes and beat Republican Judge David Furches and Populist nominee Wyatt Exum to become the 48th governor of the Tar Heel State.

As governor, Carr continued promoting farmers' interests. He also championed funding of rural schools and wanted to improve roads across the state. After the 1895 election, a Fusionist legislature curbed Carr's political agenda, and he was criticized strongly for leasing out the North Carolina Railroad.

After his term, Carr returned to Bracebridge Hall, where he lived out the rest of his days.

For more information regarding governors, please see Michael Hill, ed., *Governors of North Carolina*, or visit northcarolinahistory.org. CJ

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

E.A. MORRIS

FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2011 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is December 31, 2010.

Please visit the E.A. Morris Fellowship Web site (www.EAMorrisFellows.org) for more information, including eligibility, program overview and application materials.

Eligibility

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- *Must be a resident of North Carolina and a U.S. citizen.*
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Fellowship Dates

March 18-20, 2011: Retreat 1- Pinehurst, NC
June 10-12, 2011: Retreat 2- Blowing Rock, NC
October 14-16, 2011: Retreat 3- Coastal NC

Application Timeline

January 10, 2011: Notify finalists
February 5-6, 2011: Selection weekend
December 24, 2011: Final project due

www.EAMorrisFellows.org
 Contact Ashley E. Sherrill | asherrill@eamorrisfellows.org

Short Takes on Culture

Get This Guide to Socialism

• *The Politically Incorrect Guide to Socialism*

By Kevin D. Williamson
Regnery Publishing

President Obama's supporters bristle at the suggestion that his agenda — government-controlled health care, increased financial-services regulation, government ownership of major auto manufacturers — represents socialism.

Kevin D. Williamson, deputy managing editor of *National Review*, responds with this latest entry in the popular PIG series. Peruse Williamson's exploration of Hugo Chavez's Venezuela, Kim Jong Il's North Korea, American public education, and ObamaCare, and you'll notice some family resemblance.

"[A]ll the central planners — from Marx himself to Lenin ... to the health care crusaders — see profit as something extraneous and exogenous to the economy, by which we mean the process by which goods and services are created, developed, and delivered," Williamson writes. "Profit, under all these models, inhibits efficiency and the rational distribution of goods, services, and capital. The truth is precisely the opposite: The search for profit and the competition it leads to are what create efficiency and police the rational deployment of resources."

Miss the importance of profit, and you're more likely to think some centralized plan overseen by government experts will work better than private actors to meet society's needs. Once you reach that conclusion, Williamson documents again and again, you'll support policies that waste resources, cause economic stagnation, and — in extreme cases — pave a road to serfdom.

— MITCH KOKAI

• "The Dilemma"

Directed by Ron Howard
Universal Pictures

Seeking answers to the popular question, "What would you do?," "The Dilemma" highlights a masochistic approach to solving several emotionally driven problems that can arise in close relationships.

The movie underlines an ongoing struggle many Americans deal with, working on the big breakthrough in their line of work. Two best friends, played by pop culture icons Vince Vaughn and Kevin James, are vying for a gig with General Motors Company to help reinvent a "muscle car" that includes nuances of the

electric car.

While the project has taken all of James' character's attention, his wife is running around with another man, caught by Vaughn. Vaughn ends up on an emotional, comedy, and tragedy-type escapade trying to solve the problem, only oftentimes making matters worse.

The movie isn't for the deep thinker. The film addresses a gamut of issues, from adultery to gambling addiction to workaholism, without delving into any of them fully. If for anything, parts of it may have been a rallying call to proponents of the Tea Party movement, as Vaughn rocks a "Don't Tread on Me" T-shirt, the Castle Doctrine is discussed briefly, and the push to support American-made cars clearly is present.

— JANABENSCOTER

• "Black Swan"

Directed by Darren Aronofsky
Fox Searchlight Pictures

In "Black Swan," director Darren Aronofsky has composed a masterful psychological thriller that stunningly portrays a ballerina's descent into madness at the hands of her art.

Oscar hopeful Natalie Portman plays Nina Sayers, an innocent, childlike ballerina who is chosen to play the lead role in her troupe's performance of "Swan Lake." The role involves two parts, however: that of the innocent white swan and her twin, the wicked, passionate black swan.

Nina's director worries that she will be unable to embody the mindless, spontaneous passion of the black swan, and encourages her to give in to her passions and embrace the role of both swans. What transpires is nothing short of terrifying as Nina's attempt to embrace her dual roles in the ballet increasingly takes over her life.

Aronofsky's film captivatingly shows Nina's downward spiral as she quite literally becomes the black swan. Overall, "Black Swan" is one of the best films of the year. Portman gives an Oscar-worthy performance as the troubled ballerina, and her supporting cast is excellent as well. The choreography is magnificent, and the visual effects are sublimely unsettling — in a good way. It's not a movie you'll want to see multiple times, but it is a masterfully told story that is worth the price of a movie ticket.

— DANIEL SIMPSON CJ

Book review

The Other Limbaugh Scores Obama

• David Limbaugh, *Crimes Against Liberty: An Indictment of President Barack Obama*, Washington D.C.: Regnery, 2010, 503 pages, \$29.95.

BY MELISSA MITCHELL
Contributor

RALEIGH

Five days before Barack Obama was elected president of the United States, David Limbaugh penned these words in his syndicated column: "I am sincerely worried that if Obama wins, the checks and balances incorporated into our Constitution many not be enough to prevent a radical and irreversible denunciation of our individual liberties." Limbaugh wishes he had been wrong. But he now realizes that his fears were warranted.

When I decided to read Limbaugh's book, *Crimes Against Liberty: An Indictment of President Barack Obama*, I was concerned that it would contain little more than what I have heard on talk radio. But I was wrong, totally wrong. David Limbaugh is not his brother Rush. He is a nationally syndicated columnist, author of three *New York Times* best-sellers, and an attorney.

Crimes Against Liberty does contain material that is available in the conservative media, but it is a well-documented work offering additional information about Obama the man and addressing his policies, which could affect Americans for decades.

Limbaugh reveals aspects of Obama's childhood that have not been widely reported. No, he does not address the citizenship issue, but he does provide frightening details about the radicals who raised Obama and influenced his childhood.

Even though the mainstream media deified Obama, Limbaugh notes that not everyone was experiencing the Chris Matthews leg tingle. Even in the early days of the campaign, there were those who saw unflattering aspects of the Obama personality. In the summer of 2008, *The Washington Post's* Dana Milbank commented on Obama's "presumptuousness" for virtually assuming the role of president before the election. "Barack Obama has long been his party's presumptive nominee. Now he's becoming its presumptuous nominee," wrote Milbank.

Throughout the book, Limbaugh shows Obama as an arrogant, thin-skinned bully. Even on the campaign trail, anyone in the media questioning or criticizing Obama felt the candidate's wrath, which has continued throughout Obama's presidency. Like Fox News, anyone questioning any aspect of the Obama administration is not just sent to the back of the bus, but is thrown off the bus.

Critics are not just ignored; they often are attacked personally, especially Tea Party attendees. "Obama will turn on anyone who stands in his way, he'll make it personal through bullying, ridicule, and demonizing," writes

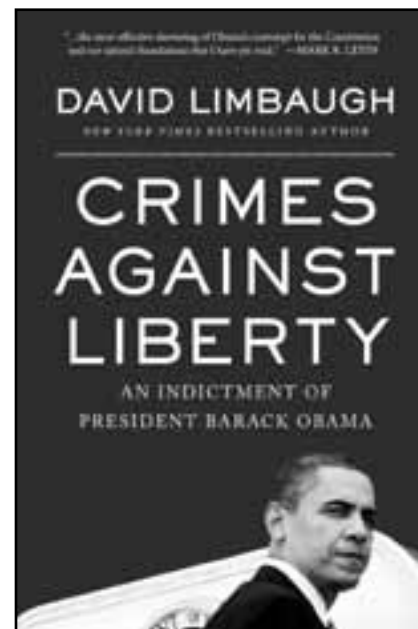
Limbaugh, who presents documented instances where this has happened. He also reports numerous times that Obama arrogantly brushes off Republican objections to his policies merely by stating that he is president.

From budgeting accounts to the Value Added Tax, the chapter titled "The Liar" contains an alphabetical list of lies and broken campaign promises. It also contains examples of how Obama manipulates words to argue that he would not raise taxes on middle-income families.

Limbaugh also presents a clear picture of how Obama has shredded the Constitution. He has sidestepped Congress through a multitude of executive orders and the appointment of, at the writing of this book, 32 regulatory "czars." Limbaugh's revelations about Obama's monetary policies are another frightening aspect of his presidency.

As the 2012 campaign heats up, Limbaugh's book is a must-read. Voters hear Obama talking about reducing government's size and its regulations, increasing government transparency, supporting large corporations, and calling for bipartisanship. This is a handbook to remind voters that Obama promised all of these things during the last presidential election campaign. Limbaugh offers a clear picture of the actions and the policies that actually were followed by Obama and the Democrats.

I will keep this book handy during the upcoming election cycle to remind myself, and anyone who will listen, that when it comes to Obama, look at his actions rather than his words. CJ



Book review

Right To Earn a Living Highlights Erosion of Economic Freedoms

• Timothy Sandefur, *The Right To Earn a Living: Economic Freedom and the Law*, Washington, D.C.: The Cato Institute, 2010, 359 pages, \$25.95.

BY GEORGE LEEF
Contributor

RALEIGH

Is there a right to earn a living? Most Americans would answer, “Of course there is, but ...” Following that “but” you would get a long list of exceptions and qualifications that whittle away at the right, such as “but the individual must have a license as required by law,” “but only if he charges reasonable prices for his work or goods,” or “but he is subject to regulations that protect the public interest.” Pile on enough of those restrictions, and the right dies the death of a thousand cuts.

Attorney Timothy Sandefur’s book demonstrates that the right to earn a living is succumbing to that fate. The constant encroachments of statutes, regulations, and court decisions have altered the legal landscape to the point where it is more accurate to say that we may ask for permission to work and engage in commerce than that we have a right to do so.

The book is dedicated to two men who fought against that trend — the 19th-century Supreme Court justice Stephen Field and the late 20th-century law professor Bernard Siegan — and it sets forth the many fronts on which “progressives” have been and are waging war against economic liberty. The problem is, Sandefur explains, those people really do not think that there are any rights to economic freedom. They demand a society in which presu-

ably benevolent experts decide what people may and may not do. Freedom would get in the way of their plans for controlling society and achieving their visions, so we must have an extensive system of controls, backed up with fines and punishments for individuals with the temerity to defy the authorities.

Sandefur’s philosophy puts him in direct and heated conflict with most contemporary legal scholars. “These academics,” he writes, “have forged a consensus view that economic liberty was, in fact, concocted by ideologically biased 19th century judges who acted as a de facto arm of the capital owning class.” That notion is accepted widely by most law professors and judges; they believe the nation’s turn away from laissez faire, property rights, and freedom of contract was all for the good. Sandefur mounts a vigorous defense of the above and an assault on the morality and utility of our regulatory regime.

As an excellent example of the ignorance (or perhaps venality) that advocates of liberty are up against, consider a comment made by now-retired Supreme Court Justice David Souter about a 1932 decision, *Adkins v. Children’s Hospital*. In *Adkins*, the Court declared unconstitutional a District of Columbia law that imposed a minimum wage for women. One of the plaintiffs, Willie Lyons, had been employed happily as an elevator operator, but after the enactment of the law, the

hotel that employed her would have had to more than double her wages to comply with the law, a law that was supposed to help working women. Instead of getting higher pay, she lost her job. The court correctly ruled that the law unconstitutionally interfered with freedom of contract.

Looking back at *Adkins*, however, Souter opined that the case “bore the echo of Dred Scott” — the infamous case holding that a slave who was taken into a territory that did not allow slavery nevertheless remained a slave. Comparing a decision upholding the coercion of slavery with a decision protecting the freedom of contract would be an absurdity for a high school student. For a Supreme Court justice, it is

incomprehensible.

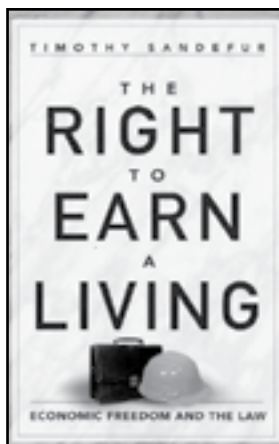
Sandefur points to the progressive legal philosophy that courts should defer to the judgment of legislatures when laws involving “mere” economic freedoms were involved. Beginning during the New Deal era, justices decided that they should never second-guess politicians if those politicians decided to take away economic liberties that people long had enjoyed. The justices said that they must defer to the will of the legislature when it came to issues involving freedom to work, produce, and trade.

Thus was born the constitutionally dubious doctrine that (adverting to Orwell) some rights are more equal

than others. Specifically, courts were to give “strict scrutiny” to rights the justices thought “fundamental” (such as voting), but give other rights only minimal scrutiny, which meant that the law would be upheld as long as the politicians might have had some rational basis for favoring it. Sandefur takes us through a nasty thicket of cases that demonstrate the baleful consequences of the idea that economic liberties are not really important and can be left to the tender mercies of politics.

Much of the damage that has been done to economic liberty has occurred due to the legal evisceration of the right to enter into contracts freely and have them upheld. A contract is a voluntary agreement that is legally enforceable. The trouble is that — even though the Constitution explicitly bars states from enacting laws that impair contracts — legislatures and courts often decide that contracts won’t be enforced if they think it would be unfair or undesirable to do so.

Sandefur covers the waterfront in this comprehensive book, including the use of zoning to prevent people from engaging in business, antitrust law to slam businesses that compete too successfully, the abuse of tort law, occupational licensing, regulatory takings of private property, and much more. Along the way, he repeatedly spars with and batters famous legal scholars like Roscoe Pound, Oliver Wendell Holmes, Robert Bork, Laurence Tribe, and Cass Sunstein. I strongly recommend *The Right to Earn a Living* for both its careful legal scholarship and its refutation of the notion that economic liberties are less important than others. *CL*



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

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The North Carolina Education Alliance is a project of the John Locke Foundation

COMMENTARY

Join the Choir Once in a While

In preparation for a symposium discussing how leadership might look in the future, the *Harvard Business Review* opened a six-week blog series that raised a number of issues.

The topics range from what leadership is — and perhaps is not — to the “soul” of leadership, the role of values and morals, the science of leadership, the anticipated talent shortage, and a few thoughts on what lies ahead.

The series also talks about something called nonconscious leadership, the stuff leaders do and convey that they may not even be aware they are doing or conveying.

Here are a few ideas from the discussion to consider: First, context. Author Hermina Ibarra argues in “Why Becoming a Leader is Not Like Improving Your Golf Swing” that leadership is less a static and enduring feature of the individual than we often suppose.

The “golf swing” analogy supposes that exercising good leadership is about having the right tools (and having practiced with them), and being ready to pull them out of the bag at the right place and time.

Ibarra emphasizes that these strategies, and the static definitions of ourselves we get from standardized assessments (like the familiar Myers-Briggs and others), detach leaders from the social context of leadership. Static self-definitions actually can inhibit our ability to make the transition to new and greater leadership roles. And if anything is apparent from our anticipation of 21st century leadership, it is the need to navigate transitions successfully and repeatedly.

If one side of the discussion focuses on context, a substantial portion of the discussion weighs in on structure. Harvard Business School professor Bill George argues that the great man, hierarchical model “just doesn’t work any more.” So what’s ahead?

In “What Lies Ahead for Leadership?” Ellen Peebles collects examples of what the bloggers said they admire in leaders. These included openness to truly honest conversations, a defiance of the

strict standards/empathy tradeoff (the idea that one cannot exhibit both and be an effective leader), and the admiration of those who are exemplars of “moral leadership in action.”

How does one tap into the social context, stay open to and understand the nonleaders in the group, and still remain effective? One suggestion is to play a non-leader role for a while, akin to what is needed in an orchestra or choir when ensemble members must, to produce a beautiful ensemble sound, constantly remain “mindful”

of their role as well as that of others in the group. There is a marked difference in the product, and the difference has been documented by listeners and by audience response. Most ensembles still will prefer to place a conductor “in charge” of the group, but in the very best organizations, the maestro may not be absolutely essential.

The 21st-century understanding of what leadership “is” is even now transforming itself, based on business models, yes, and increasingly on neurobiology and psychology. While the height of hierarchical leadership may be the traditional top-down pyramidal authority structure, perhaps the opposite extreme can be found in descriptions of a radically different “leaderless” or “swarm” form, based on context and awareness.

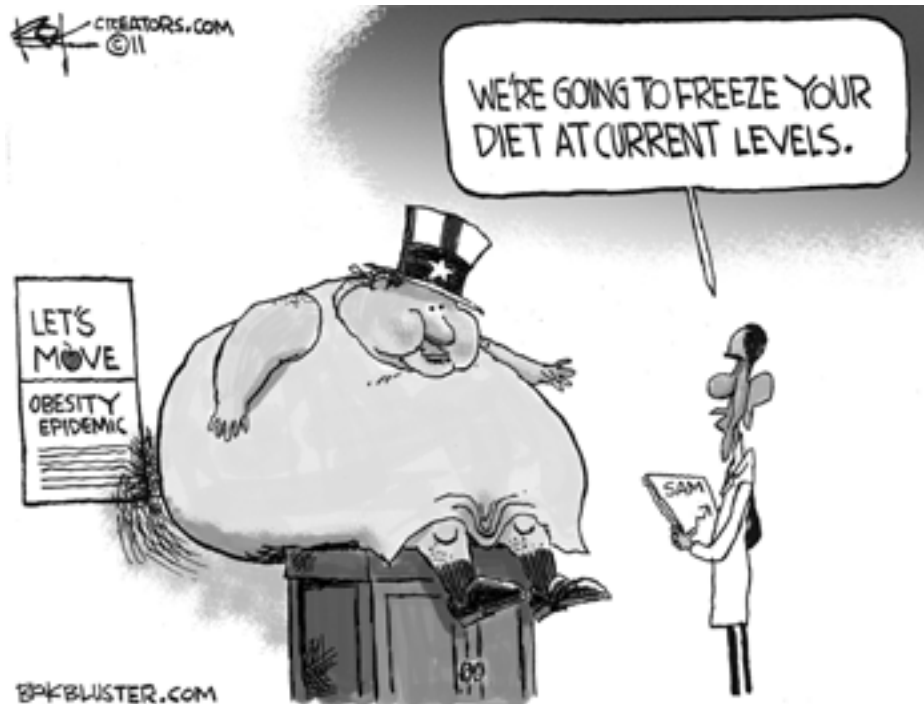
In brief, swarming represents a completely flat structure lacking any centralized authority. Taking the concept of peer leadership to its limits, author Justin Long speaks of swarming structures (particularly in relation to his work in China) as using deference rather than authority in the process of getting things done. Even where hierarchical structures exist, Long argues, deference to others describes how things really work.

Clear signals abound that leadership practice and thinking in transition to the future must become more adaptive, more flexible, and more context-bound. *CJ*

Dr. Karen Y. Palasek is director of the E.A. Morris Fellowship for Emerging Leaders.



**KAREN
PALASEK**



EDITORIAL

Veto Shows Perdue Has Easley's Back

Signing Senate Bill 13 should have been a no-brainer for Gov. Bev Perdue. It passed the Senate by a 31-16 margin and the House by a 66-51 vote. The new Republican leaders in the General Assembly not only gave Perdue the freedom to cut an additional \$400 million in the current fiscal year at her discretion, they also redirected nearly \$170 million in state funding that had been authorized but not spent.

Instead, Perdue used the first veto of the 2011 legislative session — the most substantive veto of her administration to date — to defend the legacy of a convicted felon, Mike Easley. Vetoing S.B. 13 preserved the most infamous “economic development” slush funds championed by her predecessor in the Executive Mansion. By doing so, she’s upholding the Easley Way of spreading the wealth around using business incentives and other corporate welfare schemes hidden from the normal budgeting process and immune from public oversight.

These programs have used taxpayer dollars to fuel cronyism and political patronage. When the GOP legislature gave Perdue an unprecedented opportunity to reject the backroom politics that for decades defined North Carolina governance — when today’s lawmakers put the ball on the tee and gave her a free cut — she swung and missed.

S.B. 13 diverted \$88 million from the annual payment the tobacco companies make to the state as our share of the Master Settlement Agreement with cigarette makers. The payments previously have gone to Golden LEAF, the Health and Wellness Trust Fund, and the Tobacco Trust Fund;

S.B. 13 shifted that money to the state’s General Fund, where it would have been available to finance general government programs. The bill also called for another \$8 million from Job Development Investment Grants and the One North Carolina Fund to revert to the General Assembly’s control.

Over the years, those programs have squandered hundreds of millions of dollars on bogus economic development schemes that have provided ribbon-cutting opportunities for politicians and well-connected campaign donors but done nothing, on balance, to improve North Carolina’s economic or fiscal climate.

When then-Attorney General Easley negotiated North Carolina’s share of the tobacco settlement in the late 1990s, he urged the General Assembly to establish the three tobacco funds; JDIG and the One North Carolina Fund also were created during his tenure as governor. The boards and staffs managing these funds were stacked with political appointees — friends of the Democratic Party establishment, policy big-shot wannabes, and yes, more campaign donors.

The General Assembly needs to dust off a February 2003 memo prepared by Walker Reagan, who’s now director of that body’s Research Division. In it, Reagan concluded that the money in the three tobacco funds belongs to the state, and that the General Assembly could take the money and dissolve the funds with little consequence.

Since Perdue seems incapable of distancing herself from the programs that fueled the toxic political environment of the Easley administration, the General Assembly should cleanse the atmosphere by killing all of them. *CJ*

EDITORIALS

UNC Tuition Policy

Don't dismiss the phrase 'as far as practicable'

At this time of fiscal austerity in Raleigh, lobbyists and advocates for North Carolina's community colleges and university system are reminding lawmakers that the state constitution requires taxpayers to provide a large annual subsidy to these governmental institutions of higher learning.

They are absolutely right.

The requirement can be found in Article IX, Section 9 of the state constitution: "The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense."

One possible reading of the passage is that the General Assembly is required to keep cost of higher education as low as possible to the taxpaying public, who are among the beneficiaries of the colleges and universities.

But such an interpretation is not valid. If you study the history of the provision's insertion in the constitution, the intent clearly was to ensure that North Carolina students attending public colleges would not bear the brunt of the cost. The constitution requires the colleges to be subsidized.

However, those seeking to

defend UNC and community colleges from budget cuts or tuition increases seem to have their own slanted reading of the provision. They ignore the critical phrase "as far as practicable."

North Carolina's public colleges and universities never have been "free." Students always have covered some of the cost through tuition, fees, and charges. So what distribution of the financial responsibility for North Carolina higher education is "practicable"?

The most recent information from legislative staff reports that tuition and fees currently make up about 15 percent of the total revenues to the UNC system and about 18 percent of revenues to the state's community colleges. Excluding the hospital system and other ancillary businesses, tuition accounts for just over 20 percent.

Despite a history of tuition increases, these proportions are similar to those of the recent past. Even if lawmakers raised average tuition by as much as 30 percent this year, taxpayers, donors, and other sources still would bear nearly three-quarters of the total cost of running the institutions. You may think such a tuition hike to be unwise, but that doesn't make it unconstitutional. *CJ*

A Fiscal Dilemma

It can't be fixed with accounting gimmicks

As policymakers close the state's estimated \$2.4 billion budget gap, they should do nothing to worsen the nation's larger fiscal problems. In particular, they should avoid the temptation to try to shift Medicaid costs onto the "federal government," as some North Carolina hospitals are proposing.

Under their plan, the state would levy a new fee to jack up the price of hospitalizations by \$216 million. The state would keep \$43 million of the money for its General Fund and return the rest to the hospitals. They, in turn, would use their higher billings to draw down \$350 million more in Medicaid reimbursements from Washington.

The problem with North Carolina's Medicaid program is not that Washington pays too little of the bill. In reality, North Carolina's Medicaid program is paid for by current North Carolina tax payments plus borrowed

money that will be repaid by future North Carolina tax payments. Whether these funding responsibilities are categorized as "state" or "federal" is beside the point.

The real problem with North Carolina's Medicaid program is that it covers too many people and services. It isn't just a safety net program aimed at the truly destitute who otherwise would have no access to emergency or long-term care. It covers large swaths of the population, including families with incomes well above the poverty line and seniors with middle-class incomes, assets, and family members who are gaming the system to force others to finance their nursing home bills.

You can't fix North Carolina's real Medicaid problem with accounting gimmicks — by dancing around and waving a cape in an attempt to hide what is really going on. You have to take the bull by the horns. *CJ*

COMMENTARY

Why the State Should Have Sued

The day after Republicans assumed control of the General Assembly, the House Judiciary Committee took up legislation establishing state protection for health care freedom and instructing Attorney General Roy Cooper to join a multistate lawsuit challenging the constitutionality of ObamaCare.

Critics howled. They complained the bill was ill-timed and unnecessary. Cooper previously had argued that North Carolina need not join the lawsuit because 1) if it succeeded, North Carolina would receive the same protection against federal encroachment of other states; and 2) if it failed, North Carolina wouldn't have wasted any money pursuing the litigation.

But a few weeks ago, the federal judge handling the lawsuit issued his ruling in the case — demonstrating why Cooper's original position was flawed and why immediate corrective action is required.

In a powerful and well-reasoned decision, Florida U.S. District Judge Roger Vinson struck down the individual insurance mandate as an unconstitutional exercise of federal power. Unlike a previous ruling by a federal judge in Virginia, Vinson also concluded that the mandate could not be severed from the rest of the legislation — both because it lacked a formal severability clause and because the Obama administration had itself argued the mandate was essential to the rest of the bill.

On the separate claim that ObamaCare constituted an unconstitutional use of congressional spending power to coerce state governments, Vinson ruled against the 26 states acting as co-plaintiffs in the case. He concluded that no matter how burdensome the regulations that come with Medicaid may be, states participating in Medicaid do so voluntarily.

But because Vinson also concluded that he had neither the authority nor the knowledge to sever the individual mandate from the rest of the law, the states won anyway. His decision is, in effect, a federal order that the federal gov-

ernment stop implementing ObamaCare. Vinson wrote that he didn't need to issue a formal injunction to that effect, since it is settled law that federal officials can't enforce an unconstitutional law.

Unless Vinson (or a higher court) issues a stay in his ruling while the case is appealed, ObamaCare is blocked in the 26 states that signed on as plaintiffs in the case.

Aye, there's the rub.

Because North Carolina is not yet a plaintiff in the case, North Carolinians may receive no relief, however temporary, from the federal government's encroachment on their freedom to make their own decisions about their own health care consumption and financing arrangements.

Obviously, when the case makes its way to the U.S. Supreme Court, the final decision will be binding on the country as a whole. But that may take a while.

Relief from the burdens of ObamaCare would be welcome for many reasons. North Carolinians are experiencing the same increases in health plan premiums that other Americans are experiencing. These increases are higher than they otherwise would be without last year's passage of the federal law.

ObamaCare already has cost me my health plan, and that of my employees. Our insurance provider decided, having read all the new law's Byzantine rules, that it no longer would attempt to sell the consumer-driven health plans that we and thousands of other North Carolinians had come to appreciate. (Our plan had maintained roughly level premiums for several years, believe it or not.)

And for Gov. Bev Perdue and state lawmakers trying to bridge a big budget gap for the coming fiscal year, relief from ObamaCare would have meant more freedom to restructure North Carolina's Medicaid program to save millions of tax dollars.

North Carolina should have joined the lawsuit last year. Better late than never. *CJ*

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Carpooling
Drops

One of the most often-touted ways to reduce highway congestion — car pools — has become less popular in the U.S. over time as it becomes easier for people to own cars and urban areas have grown more compact, reports *The New York Times*.

Car pools were developed in the 1940s as a means to address the nation's short supply of automobiles and gasoline. The concept came into its own in the 1970s, after gasoline shortages and a stagnant economy compelled people to share rides to work.

The Census Bureau first started tracking carpooling in 1980, when 23.5 percent of the country's 97 million workers shared rides. Since then, the number of people carpooling has dropped even as the number of workers has surged. In 2009, only 11 percent of the 144 million U.S. workers carpooled to work.

"As cars became more affordable and life became easier, the big car pools broke up," said transportation consultant Alan Pisarski.

Roger F. Teal, a former civil engineering professor who runs a software company that helps municipalities address transportation issues, agrees. "If people have a car available," said Teal, "they will use it."

Teal doesn't buy the argument that more people will carpool if government provides the proper encouragement. "The belief was that if you created the right incentives, it was something just waiting to happen," he said. "Well, it didn't."

Home affordability improves

In many U.S. cities, home affordability has returned to pre-housing-boom levels. The lower home values also are leaving more existing homeowners owing more than their homes are worth, reports *The Wall Street Journal*.

Moody's Analytics tracks the ratio of household incomes to median home price in 74 U.S. markets. In 47 of those markets, the ratio as of September was below the typical levels for the period from 1989-2003. The housing bubble generally is considered to have begun in 2003.

"If you can get a loan, these are pretty good times to buy," said Mark Zandi, the firm's chief economist.

And yet the housing market has not hit the floor. Most analysts expect another 5 percent to 10 percent decline in prices over the next six to 12 months.

Among the most undervalued housing markets are Detroit, Las Vegas, Atlanta, and Phoenix. "They're undervalued, but they're going to get even more undervalued," said Zandi. Meantime, homes remain overvalued in Charlotte, Baltimore, Seattle, New York, and Portland, Ore.

An increasing percentage of homeowners have mortgages that are "underwater," with the outstanding mortgage greater than the value of the house. Zillow.com reports that nearly 27 percent of homeowners with a mortgage were underwater at the end of 2010, up from 23.2 percent three months earlier. CJ

Why Aren't Jobs Coming Back?

Many people are confused about the economy. They hear reports of the economy improving — factory output is up, retail sales have gained, and the stock market has been roaring. Recently, it was even announced the broadest measure of the economy — gross domestic product — had returned to its prerecessionary level.

Yet most folks don't see the improvement in the area that, perhaps, matters most: jobs. Unemployment in both the nation and in North Carolina is in the 9 percent range.

And while jobs have been created in the past year, the gains have made only a small dent in the total number of jobs lost during the recession. There are still 6 million more people nationwide and 200,000 more in North Carolina who are unemployed today than before the recession.

So with all the supposed good economic news, why aren't jobs coming back faster? Economists think there are three reasons.

First, businesses want to be absolutely sure the economy is back on a growth path before they will hire new workers. Hiring workers is, for many businesses, the most important thing they do. It can be expensive and time-consuming to find the right employees. Most businesses don't want to go through this effort unless they think the hiring is for the long haul.

The fact that there has been so much uncertainty about the direction of the economy in recent years — especially about whether the economy might slip back into a recession — makes it easier to understand why many businesses have been reluctant to hire. Yet optimism about the economy has been on the upswing. As more businesses conclude the economic recovery is here to stay, hiring should pick up.

The second factor behind slow hiring is one of those two-edged swords. This factor is improved labor productivity. During recessions, most businesses have to cut costs in order to stay afloat. For many, this means cutting labor expenses and eliminating jobs.

Business managers then work hard to discover ways to do the same with less people. They do this in a variety of ways — rearranging tasks, eliminating wasteful activities, and increasing the use of technology.

Over time, this is good for the economy because it means using workers more efficiently. Therefore, over time, the economy can produce more with the same number of workers, which makes us more prosperous. But in the short term, increased worker productivity may mean fewer jobs.

Indeed, as the economy comes out of the recession, business managers keep all those labor-saving techniques. This means businesses can return to their prerecessionary production levels (as they already have) using far fewer workers. Eventually this "release" of workers can spawn new industries, as the movement of workers from agriculture to manufacturing, and from manufacturing to services, has illustrated. But the transition can take decades and require extensive worker retraining.

The importance of training and skills leads to the third factor behind today's slow job market. To be hired, workers have to be where the jobs are and have the skills needed by employers. For many workers and many jobs, this isn't the case. Due to continuing problems in the housing market and the inability to sell homes, many workers can't move to where the jobs are.

Also, with rapid changes in the workplace in recent decades enhancing the importance of post-secondary school training, many workers simply don't have the skills necessary to land a good-paying available job.

The result is that maybe as many as 5 million unemployed workers in the country today don't face a good prospect of being employed. They are either geographically mismatched or skill mismatched. Moving these folks to the employed category may be one of the toughest tasks ahead for the country.

The job market today looks better than it did a year ago and much better than two years ago. But it is still not great, especially for those who aren't prepared for today's world. CJ

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**MICHAEL
WALDEN**

Conservatives, Ignore At Your Peril

A few weeks ago, thousands of conservatives gathered for the Conservative Political Action Conference in Washington, D.C. I've looked in on sessions a couple of times over the past decade, and the conference generally is informative and enjoyable.

This year's meeting happened to coincide with the tumultuous events in Egypt. Prompted by mass protests of hundreds of thousands of average citizens who essentially occupied Cairo's Tahrir Square for 18 days, the autocratic regime of President Hosni Mubarak finally capitulated on Feb. 11. Hardly a word, however, was mentioned about the revolution during the formal program at CPAC.

This is not to say conservatives were silent on Egypt. Indeed, a very vigorous and healthy debate ensued in the public arena. On one side were the old school "realists" — including former United Nations Ambassador John Bolton and syndicated columnist Charles Krauthammer. They argued that a Mubarak collapse, absent any real certainty about his replacement, was extremely dangerous. Mubarak



**ANDY
TAYLOR**

was a friend to the United States and Israel. In a region of great strategic importance, any instability, however minimal, should be avoided at tremendous cost.

Opposing the realists were those conservatives who agreed with President George W. Bush, who said at his second inaugural, "There is only one force of history that can break the reign of hatred and resentment, and expose the pretensions of tyrants, and reward the hopes of the decent and tolerant, and that is the force of human freedom." They took Bush at his word when he said, "It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world." This group includes *The Weekly Standard's* Bill Kristol and former Middle East adviser Elliott Abrams.

But while this debate raged among thinkers, Egypt was ignored by the conservative movement's political leadership. This was not an encouraging sign for two reasons. The first is political. Conservatives and Republicans once held an innate electoral advantage over Democrats on foreign policy. This was particularly the case after the Cold War. The build-up to and prosecution of the first Gulf War, conducted masterfully under the leadership of President George H.W. Bush, meant that even a large propor-

tion of Democrats believed the GOP was better at making foreign policy. Even in 2008, while their presidential candidate was taking a beating, the public still trusted Republicans more than Democrats with the nation's security. John McCain won a stunning 86 percent of the votes from respondents who felt terrorism was the most important issue facing the country.

The support is based upon the public's observations that Republicans do a better job looking after American interests abroad. But it is also because, as President Ronald Reagan conveyed with his "shining city on the hill" metaphor, Republicans provide practical assistance and a worthy model other nations look to emulate. At the very least, Republican foreign policy has projected many of the country's finest values and traditions — such as freedom and personal responsibility.

Unfortunately, that ground is shifting. Americans are looking inward, and Republicans' propensity to join them erodes the party's advantage on foreign policy. Some conservatives feel burned by the visceral world reaction to President Bush's invasion of Iraq in 2003. Although I think this feeling was generated more by media bias and foreign sensibilities than the policy itself, it undermined American interests on other international issues.

There are also significant policy consequences to this general disinterest in international affairs. Unlike

Bush, realists might not see moral issues in foreign policy. But even they cannot deny the significant security and economic threats faced by the United States.

The lack of political and economic freedom around the world has the Middle East in revolt and, if the movement grows, will threaten world stability gravely. Poverty and the lack of opportunities for millions of smart and capable young people who toil every day under autocrats is a motivating force to be reckoned with. The short-term risks of this crisis are certainly worrying, but the long-term benefits exhilarate.

We might not like to think tyranny and hunger constitute challenges for us, but they do. Ignoring problems like these neither solves them nor makes them go away. We need to address these issues directly and apply important and enduring principles using intelligent analysis.

Responsible leadership is a cornerstone of the conservative mind. It is good for the world and good for America. This advice might come too late for CPAC 2011. But it's not too late for the candidates vying for the 2012 Republican presidential nomination. *CJ*

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Off to a Fast Start

Unlike previous sessions of the General Assembly, where it took the leadership weeks to organize, get settled in new offices, assign committees, and start filing bills (at a cost of over \$50,000 a day to taxpayers), the new Republican leaders were ready to go on day one, as they had promised.

Twelve bills were filed the first day and included measures to protect property rights and resist overreaching by the federal government. Other early bills addressed excessive spending, corporate welfare, government transparency, charter schools, school testing, and voter ID.

The day after the ceremonial swearing in, a committee passed House Bill 2, exempting North Carolina from the federal mandate requiring individuals to purchase health insurance and demanding that Attorney General Roy Cooper join the multi-state lawsuit challenging the law's constitutionality. (He has refused to

do so thus far.) The bill passed both houses along party lines.

Senate Bill 13 quickly made its way through both bodies, with all Republicans voting yes, all Democrats voting no. The bill makes bold adjustments to this year's budget rather than waiting until the new fiscal year begins July 1. It authorizes the governor to reduce spending by \$400 million, transfers the annual \$68 million allocation of Golden LEAF money to the General Fund, transfers part of the Health and Wellness and Tobacco trust fund money to the General Fund, and rescinds some corporate welfare funds that have not been used. In short, it redirects money that has not been spent, starts to get spending under control, and mitigates the shortfall we'll have in the new fiscal year. Gov. Bev Perdue chose to protect corporate welfare and veto S.B. 13.

The new majority was serious when it promised to protect property rights, especially for victims of forced annexation. First out was Senate Bill 27, a moratorium until June 30, 2012, on all currently considered annexations, allowing time to enact meaningful reforms. Three bills would stop annexations now under way in Kinston, Lexington, and Lewisville.

Constitutional protection from excessive eminent domain has been proposed in House Bill 8 and Senate Bill 37. Both would allow voters to amend the state constitution and prohibit the government from taking land from one owner and giving it to another for economic development reasons. The amendment also would demand the payment of just compensation with a right to trial by jury in all condemnation cases. It's about protecting property rights, and it's the right thing to do.

The appropriately named Sunshine Amendment, House Bill 87, would enshrine in the constitution the requirement that all state and local government meetings be open to the public and their records made available for copying.

Republicans have advocated lifting the cap on charter schools since 1995, and now it looks as if that arbitrary limit of 100 finally will be abolished. In addition to just allowing more charters, Senate Bill 8 puts accountability measures in place, ensuring adherence to the highest educational standards and making sure that families are offered a quality alternative if their district school does not meet their needs. House Bill 41

also would expand school choice with a \$2,500 tax credit to qualifying families seeking relief from failing district schools in the private market. One size does not fit all, and parents ought to have options.

Ensuring the integrity of elections, a bill requiring voters to present photo identification at the polls could be introduced any time now. House Bill 64 and Senate Bill 47 would restore partisan designations to judicial races.

The governor has handed off her \$19.9 billion budget, which includes tax increases. Appropriations committees are now getting serious, promising no tax increases and an additional \$1.6 billion reduction (at least) in government spending. House Speaker Thom Tillis and Senate President Pro Tem Phil Berger plan to pass a budget by June 1, leading to the earliest and shortest session in recent history.

The new management made promises that the 2011-12 General Assembly would be focused, efficient, and prioritized on the core functions of government. Looks like they're off to a great start. *CJ*

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



**BECKI
GRAY**

Gov. Perdue To Promote Alcohol Tourism for N.C. (a CJ parody)

BY FOSTER BROOKS
Food and Wine Writer

RALEIGH

When Gov. Bev Perdue traveled to the new Cauble Creek Vineyard in Salisbury in January to announce that North Carolina now is home to 100 wineries, it occurred to her that perhaps the state was missing out on alcohol's potential as a tourist attraction.

"I propose that North Carolina become a leader in a new type of tourism, wino tourism," Perdue said in a press release. "Wineries have been touted as tourist destinations for years, but what about other venues, like our beautiful ABC stores, our rural moonshine stills, and the quaint shot houses in our larger cities?"

Perdue stressed that these establishments create jobs and, with the exception of ABC stores, are the product of the creative activities of risk-taking small-business owners and entrepreneurs.

"Our alcohol-related establishments provide a compelling reason to visit our state, and they are a significant economic engine," Perdue added. She announced that the Department of Cultural Resources will create a Hootch Investigating Committee (HIC) to study the implementation of wino tourism. Some early ideas, she said, include wine tastings at N.C. wel-



This ABC store in Raleigh has already been designated as a stop on the N.C. Booze Tour (CJ spoof photo)

come centers, moonshine distill-offs at the N.C. State Fair, a "Great Shot House Makeover" reality show on North Carolina Public Television, and a statewide N.C. Booze Tour.

Perdue recently rejected a proposal to privatize North Carolina's ABC stores and thinks her plan will help make them more appealing to consumers. "These stores are boring and bland, as per state law," she said. "Since we can't advertise, maybe the Booze Tour will allow us to get them more visibility so that we can increase sales and, therefore, increase revenue."

One of the biggest challenges, Perdue said, is getting the state's bootleggers and moonshiners to identify themselves.

"Moonshiners are a notoriously secretive bunch," said the governor. "They spend a lot of time and effort hiding from state and federal authorities. But we have a plan that I think they will like. We'll give them amnesty for all the booze they distill just as long as they sell it to the state government for use as ethanol in gasoline. We have applied for several million dollars in stimulus money just for this purpose."

Perdue said that a key proviso in the agreement would be that the moonshiners must continue to use their quaint copper kettles and curly pipes, and wear their colorful straw hats and overalls to delight Northern tourists. This could be a problem, according to one moonshiner interviewed by *CJ*.

"Heck, we ain't worn 'em things since we all played extrics in 'Thunder Road' when they filmed 'at 'air pitcher show in western North Carolina," he said. "Plus, we use all stainless steel these days. This plan is actually gonna cost us money."

Getting the operators of shot houses to cooperate also will be a challenge, Perdue acknowledged. "I realize that shot houses are a lucrative, if illegal, business," she said. "Somehow we need to make this plan beneficial enough to illegal booze-by-the-glass purveyors so that they can come out of the shadows. I propose an amnesty for them if they turn over their profits to the state. We will, in turn, give them federal business-incubator grants to make up for their loss of ill-gotten gains."

Perdue said she is not concerned with a rumored Republican plan to place a cap on wineries at 100. "Any politician who would support a 100-unit cap on anything that the public so evidently is in favor of would be crazy," she said. *CJ*

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