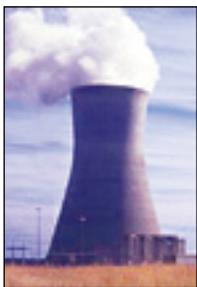


**Environmental-  
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an option to  
coal/4**



# CAROLINA JOURNAL

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

North Carolina	2
Education	8
Interview	10
Higher Education	11
Local Government	16
Books & the Arts	20
Opinion	24
Parting Shot	28

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STATEWIDE EDITION

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## TransPark Broke With No Way to Retire Debt

Park owes more than \$37 million to N.C. Escheat Fund

By DON CARRINGTON  
Executive Editor

RALEIGH  
The Global TransPark Authority, a two-decade-old industrial park near Kinston created by the General Assembly to handle air cargo, still cannot repay more than \$20 million it has borrowed from the state treasurer — and has no idea how the debt will be retired. Unpaid principal and accrued interest — owed to the state's Escheats Fund — are approaching \$38 million.



**Darlene Waddell**  
GlobalTransPark  
executive director

Even though the park has landed an "anchor tenant" in Spirit AeroSys-



**Spirit AeroSystems, called the Global TransPark's "anchor tenant," is currently under construction. Government incentives granted to the plant add up to \$200,000 per job. (CJ photo by Don Carrington)**

tems, a Wichita, Kan.-based company that is set to start manufacturing large aircraft components later this year, government incentives to Spirit mean taxpayers will subsidize employment at GTP to the tune of \$200,000 per job. GTP officials say they may ask this

year's short session of the legislature for help with the debt.

GTP Executive Director Darlene Waddell acknowledged that the debt to the state treasurer's office was a serious concern. She told *Carolina Journal* her board members plan to discuss it

with members of the General Assembly later this year.

"Nothing would thrill me more than to not have that debt on our books," she said. Since the park generates nearly all its revenues with rent from commercial tenants, Waddell acknowledged the park had no funding source to repay the debt.

Rep. Van Braxton, a Kinston Democrat, is a strong supporter of the GTP, but agreed the debt is a problem. "I would like to see the TransPark pay that back, but clearly right now they can't do that," he said.

State Treasurer Janet Cowell didn't elaborate when asked about the debt. "We are encouraged by recent updates from the Global TransPark Authority and continue to monitor activities," a spokeswoman said.

Senate Minority Leader Phil Berger, R-Rockingham, cast doubt on Waddell's plan to seek help from the General Assembly. "It was inappropriate for the original borrowing to be allowed. State debt in general has been a problem," he said. "There should be a business plan other than a bailout from the taxpayers."

Continued as "Global," Page 14

## Scandals, History to Sting Dems in '10?

Easley scandal, economy weigh on voters' minds

By DAVID N. BASS  
Associate Editor

RALEIGH  
As November's midterm elections approach, most eyes are on the nation's capital. But North Carolina could be in for some historic races of its own, as scandals, retirements, and political tides threaten Democrats' majorities in the state General Assembly.



**Election experts wonder if scandals involving former Gov. Mike Easley (left) and former House Speaker Jim Black (right), both Democrats, will cost the party in 2010. (CJ file photos)**

Political analysts expect a bumpy ride this year as Republicans hope to take the reins of legislative power for

the first time since the 19th century. Democrats have solid advantages in both chambers — a 68-52 majority in the House and a 30-20 majority in the Senate. But the GOP smells blood in key races that could tip the balance of power.

To take control, Republicans need to pick up nine seats in the House and six in the Senate. The N.C. Free Enterprise Foundation, a conservative election-analysis group in Raleigh, has identified 10 Senate races and 18 House races as competitive, meaning the victor in 2008 won by 55 percent or less.

The question of who controls the General Assembly beginning next year

Continued as "Scandals," Page 15

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## Study Urges N.C. Legislature Rein in Regulators

By SARA BURROWS  
Associate Editor

RALEIGH

When the General Assembly gave the State Board of Community Colleges the power to set admissions standards, lawmakers probably did not expect the board to allow illegal immigrants to enroll in community colleges.

And yet the board did, igniting protests across the state. This is but one example of what John Locke Foundation regulatory policy analyst Daren Bakst considers unaccountable bureaucracy. "Regulating the Regulators," a February report authored by Bakst, argues that unchecked regulatory agencies in North Carolina are creating one of the most unfriendly business environments in the nation.

Most states and even the federal government are more lenient than North Carolina when it comes to regulation, said Bakst. Excessive regulations cost North Carolinians commercial opportunities, jobs, and money.

The report recommends a series of reforms, led by calls for the General Assembly to limit the amount of power it delegates to state agencies. "Unelected and unaccountable bureaucrats" are making too many important policy decisions, he said.

Legislators often hand off the responsibility of rule-making to agencies so that lawmakers can duck hot-button issues and not have to deal with the political repercussions, he said.

Agencies are expected to fill in the blanks of the General Assembly's vague and often overly broad legislation with specific rules and regulations that help implement or interpret the law. The problem is when they interpret the law in ways the legislature never intended, Bakst said.

Bakst says important questions of social policy should be decided by the legislature, a representative body accountable to citizens.

To ensure agencies don't get out of hand, the legislature should have more oversight of the regulatory process, he said. It should write narrower laws, leaving less wiggle room for interpretation, and it should require all rules to be reviewed before they become law.

Robin Smith, a spokeswoman for the Department of Environment and Natural Resources, said the state already has a legislative review process in place.

All rules must be filtered through the Rules Review Commission before they are enacted, she said. As long as the commission deems the agency has the authority to adopt the rule, and the language is clear and unambiguous, the rule goes into effect. If there are any objections, the rule is sent to the legislature for review.

Bakst argues the Rules Review Commission should be responsible for more than assessing legality and ambiguity. He said the commission should make sure rules are:

- Consistent with legislative intent,
- Cost-effective,
- Flexible for small businesses,
- No more stringent than federal regulations.

Rules not satisfying these criteria should be either sent to the legislature for further review or rejected.

Winston Harrington, an environmental regulation analyst at Resources for the Future, said any legislative review process needs a time limit.

"Legislators need to keep in mind that the state is often facing a mandate, a deadline [from the federal government], those sorts of federal machinery to make sure that something happens," he said.

If state lawmakers can't agree on the text of a regula-

tion, federal agencies will write it for them, he said.

"It's conceivable that [rules review] has been done in other states and it works fine, but it's also possible that it sort of ties the state in knots and that it's impossible to get any regulation passed," Harrington said.

Even when meeting a federal deadline is not an issue, Smith said rules review can eat up a lot of time unnecessarily.

"Up until a few years ago, every rule got held up for legislative review," she said. "The General Assembly realized it was holding up rule changes that were completely uncontroversial, and that in many cases were being requested by industry. Even rules that were being requested by the folks being regulated were getting caught up in the review process."

Bakst argues that not every rule would get held up, only those that didn't meet the stated criteria.

In addition to reviewing rules before they are enacted, the legislature should review them periodically after they've gone into effect, Bakst said.

Adrian Moore, vice president of research at the Reason Foundation, agreed. Rules

should be scheduled to expire or "sunset" on a certain date, Moore said, unless the legislature votes to reinstate them.

In Colorado, the sunset period is one year. A year after a rule is enacted, the agency has to convince the legislature it should be continued. If they can't, the rule is scrapped.

"This forces the legislature to actually look at it and examine its effectiveness. Otherwise you just get rubber-stamping," he said.

Moore admitted the process would be time-consuming and unappealing to legislators who "would rather spend their time making new laws than looking at old laws."

"Politicians don't get re-elected for making things more efficient," he said. "They get re-elected for making new laws."

Smith said North Carolina experimented with a similar idea 20 years ago, when the Rules Review Commission was forced to evaluate all regulations every five years or so.

"From what I've heard it was incredibly burdensome and didn't generate much in the way of changes," she said.

She said a sunset provision could lead to a "constant churning of regulations," creating confusion for the community being regulated.

Moore argues there wouldn't be a high turnover of regulations as long as the rules were legitimate.

A system working properly would keep effective regulations in place and discard those that were too costly, too burdensome, or simply outdated, he said.

Advancements in technology also can make regulations obsolete, he added.

As an example, Moore cited a fire code in San Diego requiring builders to install horizontal beams at narrow intervals between vertical beams in the walls of tall buildings. The regulation protected against large vertical air pockets that would allow a fire to move quickly through the wall.

Moore said the code made sense a century ago, when buildings were made of wood. Now, however, the mandate wastes time and money in construction costs for buildings made of concrete and steel.

Bakst said this is exactly why rules need to be reviewed.

"Agencies should have to justify a rule's existence every five years or so," he said. "It should be their burden to prove to the rule is still needed."

If they can't, he said, the rule should be repealed. CJ



# N.C. Pension Fund Experiences Largest Losses in Real Estate Funds

## State law considers such investments closed to public

By SARAH OKESON  
Contributor

RALEIGH

The real estate investments in North Carolina's pension fund lost about a third of their value last year, but because information about specific real estate investments is not considered a public record, it's impossible to know which investments brought down the pension fund's value.

The losses in the real estate category were worst among the categories of investments in the fund's portfolio. Real estate investments make up less than 5 percent of the fund's portfolio. Their value at the end of 2009 was \$3 billion.

Overall, the \$67 billion pension fund rose 15.08 percent in 2009, rebounding along with other investments in the broader markets. Stocks held by the fund bounced back by about 33 percent.

About the only information state Treasurer Janet Cowell will release to explain the loss is a list of the fund managers as of Dec. 31, 2008, and the losses posted by each manager. No information is available from the treasurer's office about the individual real estate investments made by those 39 fund managers. The managers received more than \$65 million in management fees from the treasurer's office in 2008.

"These real estate portfolio holdings are not considered public record," said Heather Franco, a spokeswoman



for Cowell.

Former state Treasurer Richard Moore got an advisory opinion from the state attorney general in 2006 concluding that records with information about the companies in which funds have made investments were trade secrets.

North Carolina isn't the only state with real estate investments that tanked. In California, the real estate investments of the pension system for state employees plunged by 47.5 percent, more than three times worse than the index for that fund.

But the California Public Employees' Retirement System does release information about the properties its real estate managers invest in. Closer to home, South Carolina's pension doesn't make real estate investments.

The State Employees Association of North Carolina sued Moore in 2008

to try to get information about investments he had made. A Wake County judge dismissed the lawsuit. The N.C. Court of Appeals upheld the dismissal in November, writing that it was reasonable for the treasurer's office to deny "requests regarding the public records that were not in their possession and records which contained trade secrets."

Appeals Court Judge Rick Elmore dissented. SEANC has appealed the ruling to the state Supreme Court.

"I hope at the end of the day that the court says we can go into the treasurer's office and get what we need," said Ardis Watkins, the association's legislative affairs director. "I hope it's there."

Susan Carter, who oversees the pension's real estate investments for the treasurer's office, makes \$210,000 a year.

One of North Carolina's real estate investments that has tanked is a commitment to invest \$100 million in Cherokee Investment Partners IV, a fund run by a Raleigh company. The state had invested less than \$7 million in the fund by the end of 2008 but had paid out close to \$1.5 million in management fees.

Cherokee Investment Partners, the parent company of the fund and another company North Carolina has invested in, is the subject of a federal probe in connection with failed golf and housing projects in New Jersey.

The New Jersey inspector general issued a report in 2008 finding that a company backed by one of the limited partnerships in North Carolina's pension fund had mismanaged a project on a landfill site in Bergen County.

Thomas Darden, the CEO of Cherokee Investment Partners, contributed \$1,000 to Moore in 2004. Darden did not respond to an e-mail seeking comment.

Developer Gary Allen donated \$8,000 to Moore in 2004 and 2005. Allen

and his brother Randy Allen developed the Cannonsgate housing development in Carteret County where former Gov. Mike Easley bought a waterfront lot in 2005 at a \$137,000 discount. Franco said the state's real estate portfolio has made no investments with any of the Allens' waterfront funds.

North Carolina's treasurer is the sole fiduciary for its pension fund, meaning the treasurer makes the final decisions on its investments. Many states instead use investment boards. Judith Lohman, who researched the issue for the Connecticut General Assembly in 2008, found that only 16 of the 50 state treasurers are responsible for investing state pension funds and half of them use investment policy boards.

"That's just such a vast amount of power, but it's not on the radar," Watkins said.

Moore, who has not returned phone calls from *Carolina Journal*, received at least \$267,170 from 2004 to 2008 from employees and people connected to firms where the pension fund had real estate investments.

Employees and others affiliated with RLJ Development LLC, a hotel/real estate investment company founded by Charlotte Bobcats majority owner Bob Johnson, gave at least \$62,000 to Moore. RLJ received \$1.2 million in management fees in 2008 for three funds in which the treasurer's office had invested \$150 million.

RLJ also received \$10.7 million as an incentive payment for the performance of RLJ Urban Lodging Fund LP. Information about the performance of RLJ Urban Lodging Fund for 2008 wasn't available. Its weighted performance in 2007 was almost 17 percent.

Employees and people affiliated with Crow Holdings, a Dallas real estate firm, gave at least \$42,000 to Moore. The treasurer's office has \$200 million invested in three funds with Crow Holdings and paid more than \$290,000 in management fees in 2008.

Cowell also has received donations from real estate investors that do business with the state, taking in at least \$51,000 in 2008 and 2009. Her top contributors were people connected to Sentinel Real Estate Corp., who contributed at least \$20,100. The firm received \$1.7 million in management fees in 2008 from the treasurer's office, but the company's Sentinel Realty V fund was liquidated in 2009 because of poor performance.

People connected with RLJ Development LLC contributed the second-highest amount of contributions to Cowell, \$15,100. Cowell has said that she supports public financing of treasurer elections, believing that outlawing campaign contributions from individuals would alleviate potential conflicts of interest. *CJ*

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## N.C. Briefs

## Charter double standard

School districts across North Carolina would be forced to close more than 150 traditional schools, if the State Board of Education extended new charter school performance standards to all public schools, according to Terry Stoops, the John Locke Foundation's top education expert.

Using test results from the past three years, Stoops' new report shows traditional schools would make up 155 of the 164 total schools subject to closing for poor performance. Three alternative district schools also would close. Six charter schools would close.

"Under state rules, only the charter schools actually face the threat of closing," said Terry Stoops. "The new report exposes the way that the State Board of Education systematically created both privileged and disadvantaged classes of public schools."

Three of the six charter schools that would be threatened with closing under the new policy operate in Durham and Wake counties. While those schools would shut their doors, 13 traditional district schools and one alternative district school with similar student performance would remain open in those two counties.

## Easley aides clash

Several aides to former Gov. Mike Easley could be in legal jeopardy based on conflicting statements they gave in sworn depositions.

Former Press Secretary Renee Hoffman recalled separate orders from communications directors Cari Boyce and Sherri Johnson for public information officers to delete e-mails to and from Easley — who used a private e-mail account to conduct public business. Under oath, Boyce and Johnson denied such a blanket order was issued.

While it's not at all unusual for witnesses at depositions to offer somewhat different accounts, said former Assistant U.S. Attorney Kieran Shanahan, in this instance, "some appear to be more than minimal. Given that we're talking about criminal conduct" related to the state and federal investigations of Easley, he said, "if [the Easley staffers] knew what they were doing was illegal, I think it becomes an additional building block" for prosecutors.

Shanahan said the former officials also could face felony charges of perjury, conspiracy, and obstruction of justice if they lied under oath to conceal a "criminal enterprise." CJ

## Environmentalists Urge Nuclear over Coal

By DONNA MARTINEZ  
Contributor

CHAPEL HILL

He's the rock star of climate change activists, but James Hansen's recent statements supporting nuclear power are pushing environmentalists to re-examine technology they've opposed consistently.

During a January visit to UNC-Chapel Hill to support a Sierra Club-led effort to pressure the university to stop burning coal at its cogeneration plant, Hansen, head of NASA's Goddard Institute for Space Studies, suggested nuclear as one alternative to replace coal in the nation's fuel mix.

"If you look at the damage that has been done to humans and the environment by nuclear power and compare that to what's been done by coal, you're talking several orders of magnitude," said Hansen, who famously declared to a Senate committee hearing in 1988 that "the greenhouse effect has been detected, and it is changing our climate now."

At his Chapel Hill event in January, Hansen said, "The safest large industry in the United States has been nuclear power. The number of people killed from nuclear power is negligible."

Nuclear also emits no carbon dioxide — the greenhouse gas that environmental activists say is killing the planet. Coal, which Hansen calls the dirtiest fuel on the planet, does — and he says it should be phased out globally.

The Coal-Free UNC Campaign hosted Hansen's visit. Much of its anti-coal work relies on Hansen's research. The group is affiliated with the Sierra Club's national Campuses Beyond Coal Campaign. Stewart Boss, media outreach coordinator for the UNC group, says they don't advocate wider use of nuclear power, but they give credence to Hansen's remarks.

So does the nuclear expert who sits on Chancellor Holden Thorp's new Energy Task Force — the group assessing the cogeneration plant's use of coal. David McNelis, director of the Center for Sustainable Energy, Environment, and Economic Development at the UNC Institute for the Environment, says nuclear power is a safe technology in the United States. He doesn't see nuclear as an alternative for UNC, however, because of the relatively small amount of power the campus needs.

"In the future, years down the road," McNelis says, "there may be small nuclear batteries or plants that are sealed plants and will run their life for 25 or more years and then be replaced like you would a battery. But those are not available at this point."

The cogeneration plant burns a combination of coal and natural gas and provides about one-third of the

Hansen calls nuclear power "the safest large industry in the United States"

power for the university and its hospitals. At the first meeting of the Energy Task Force, UNC Associate Vice Chancellor for Campus Services Carolyn Elfland told members — including Molly Diggins, state director of the N.C. chapter of the Sierra Club — the Environmental Protection Agency has recognized the cogeneration plant for its efficiency.

Elfland explained that, except for a brief period last year, coal traditionally has been cheaper than natural gas and the state requires its institutions to embrace a lowest-cost operation. At \$20.1 million, fuel is nearly 30 percent of this fiscal year's \$59.3 million total budget for the Chapel Hill campus.

The Energy Task Force likely will duplicate work that went into the university's 2009 Climate Action Plan, adopted just last fall.

The document offers recommendations to reach "climate neutrality" by 2050. In the near term — by 2020 — the plan suggests replacing 20 percent of the coal with a biomass product. UNC plans to test dried wood pellets and torrefied wood.

The impact of switching to biomass on the plant's fuel budget is unclear. The university hasn't received quotes from suppliers. "The study indicated a long-term premium of 15

percent over coal costs," Elfland wrote in an e-mail. "In the initial years, one might expect higher costs and increased price volatility due to the immature market."

Boss is pushing UNC to switch to biomass or other alternatives such as wind, geothermal, and solar by 2015. He says the public health benefits of eliminating coal from the nation's fuel mix outweigh economic costs to U.S. mining communities, including North Carolina's coal-producing neighbors in Appalachia. The *Independent Weekly* has reported that, over the past five years, UNC has purchased its coal from Kentucky and Virginia.

"Our group is pretty aware of both sides of that issue, that the people in Virginia and West Virginia and other parts of Appalachia where the mining communities are, that they need these jobs," says Boss. "But also, we realize that right now coal is devastating mining communities. It's really bad for local public health. The emissions from coal have been linked to cancer and autism and different things like that."

Boss says that Appalachia shouldn't be dependent on coal and that he realizes a transition will be tough. "In the long term, they're going to benefit by biting the bullet now and trying to find ways to support their economy without needing coal."

More than one-third of the nation's coal supply comes from Appalachia, according to the U.S. Energy Information Administration, but a successful anti-coal effort could increase energy, transportation, and commodity costs in household budgets across the country.

In 2008, the coal industry employed nearly 87,000 people. Coal is mined in 26 states. CJ

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Thanks.



# Employers: Government Uncertainty, Costs Hold Hiring in Check

By KAREN McMAHAN  
Contributor

RALEIGH

As North Carolina continues to flirt with record-setting unemployment rates, employers and staffing companies increasingly say the expectation of higher taxes and more burdensome regulations prevents them from hiring new workers.

That message came through clearly at January's meeting of the Triangle Society for Human Resource Management in Research Triangle Park, where panelists discussed employment prospects in 2010 along with mounting employer concerns.

Presenters included Pam Higdon, president of Express Employment Professionals, a staffing firm; Bruce Clarke, president and CEO of Capital Associated Industries, a Raleigh-based employer association; and Marqueta Welton, human resources director for Durham County government.

Higdon said 2009 was the most challenging year since her company opened 13 years ago. "There are too many candidates for too few jobs," Higdon said, "but we have seen a slight increase in hiring, even direct hires, since the end of 2009. Still, employers are reluctant to hire because of uncertainty in the political climate making it hard for business."

"Our firm has long-term, established relationships with several hundred businesses in North Carolina. Possible tax hikes and policy changes for health care and energy are big concerns," Higdon remarked in a follow-up interview. "We developed a very conservative business plan for 2010."

"More government spending means fewer jobs," Higdon added.



"Some politicians don't understand how to run a business. A few hundred dollars as a tax break to hire someone isn't going to increase hiring if sales are down and employers are worried about the future. I know business owners who have been making big sacrifices, even not paying themselves just so they won't have to let staff go. It's not fair to blame businesses for not hiring. What business owner wouldn't like to hire? That would mean they're growing."

Higdon expressed deep frustration. "When I see politicians spending millions on pet projects, I just wish they [policymakers] who are spending us into the ground had to walk a mile in [business owners'] shoes. I wish

they had to look into the eyes of unemployed people who are desperate for work, like I have to every day, and the faces of business owners who spend sleepless nights worrying if they're going to lose everything they've worked so hard for. They want to take care of their families, contribute to charities of their choice, and help people in need, but they're hurting."

Clarke also painted a bleak picture for job growth. "Most employers have become profitable primarily through deep cost-cutting. Only a small number of firms are still hiring, and another small group are hiring only by betting on stimulus money and green energy to drive demand.

"The public is misled when they're told that government is innovative and creates jobs. Good innovation falls to manufacturing and the private sector," Clarke said. "The legislature as a body, I believe, feels the prospects for job creation in North Carolina are better than they actually are. They're out of touch. They need to encourage growth in manufacturing because those historically have helped rural areas grow."

Clarke cites high taxes, lack of free-market solutions in health care, increased government mandates that drive up business costs, and the state's broken workers' compensation system as just a few reasons for lackluster job creation.

"Revenues in Durham County government are down in all areas," Welton said, "and our revenues come from taxes. When the economy is down, so are tax collections, but demand for our services increase."

"Last year, Gov. [Beverly] Perdue asked state agencies to cut their budgets by 10 percent. We ended up with a cut of about 3.8 percent in operating

costs in 2009. We've had cuts for the past three years, but we still had an average amount of hiring in 2009 as in a normal year."

Welton admitted Durham County, like other localities and the state, relied on federal stimulus money to provide certain jobs and will continue to depend on subsidies from Washington to maintain payroll. "Salaries and benefits account for 80 percent of Durham County government's annual operating budget. Without more stimulus funds or an increase in revenues, we'll have to lose employees in law enforcement and health and human services in FY2011," he said.

Welton said the county had tried to offer an incentive plan last year to encourage some employees to retire early so that the positions could be filled with junior workers earning lower salaries, but it wasn't possible because the new hires would be funded with temporary federal grants that might not be available permanently.

James Sherk, Bradley Fellow in Labor Policy at the Heritage Foundation, said that lawmakers facing budget deficits routinely threaten to cut essential services and jobs if the public resists tax increases. But that threat is hollow.

Pensions and health care account for a big portion of a state's long-term liabilities, so states could save money and maintain services by simply expecting workers to pay a larger share of those benefits. Sherk said lawmakers also could reduce public employee compensation, raise the retirement age, and simply cut jobs.

"The public sector has more generous compensation, pension plans, and health care than the private sector does," Sherk said. "The private sector has had to shift from defined-benefit to defined-contribution retirement plans to reduce costs and be competitive, and the public sector could do the same, and [government agencies] could require employees to pay part of their health care premiums, like private sector employees do," he added.

"Two-thirds of unemployment is due to a large drop in job creation," Sherk said. "To solve the problem, states just need to provide a business climate that's favorable to job creation."

Despite millions in federal stimulus funds and state incentives aimed at job creation, North Carolina's unemployment rate continues to rise.

The latest figures from the North Carolina Employment Security Commission show the statewide unemployment rate hit a record 11.2 percent in December, well above the national average of 10.0 percent.

Rates in several North Carolina counties exceeded 16 percent.

CJ

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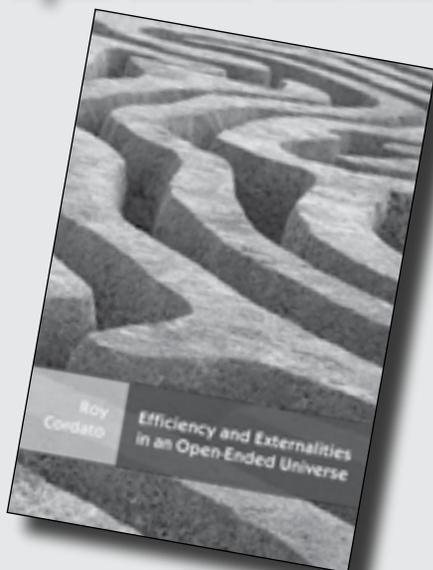
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Vice President for Research  
John Locke Foundation

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www.mises.org

### Efficiency and Externalities in an Open-Ended Universe



*Voter unrest fuels optimism*

# Minor Parties Still Face Significant Barriers to Ballot

BY SARA BURROWS  
Associate Editor

RALEIGH

The Tea Party demonstrations that started last year, the growth of unaffiliated voters, and the expansion of social networking to fuel political activism have given backers of third parties hope that they can cash in on a growing frustration with the political establishment.

A recent Rasmussen Reports poll suggests an opening may exist beyond the traditional two-party structure. One question asked: "If you were to vote today and you got to choose between a candidate from the Democratic Party, the Republican Party, or the Tea Party, which would you choose?"

A third of the respondents sided with the Democrats. A quarter opted for the "Tea Party." Only 18 percent chose Republicans.

"The hypothetical 'Tea Party' did better than the Republican Party," laughed Sean Haugh, former state director of the Libertarian Party.

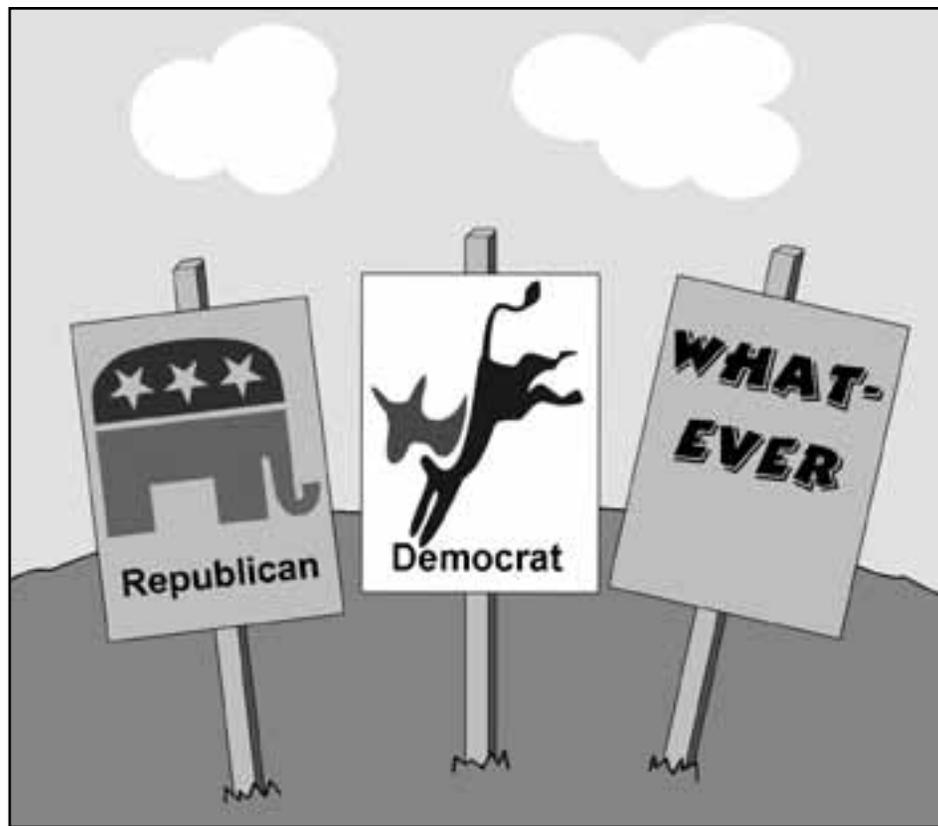
## Series of obstacles

But third parties face a series of obstacles before they can reach voters. North Carolina erects some of the nation's highest ballot-access barriers on minority parties. *Ballot Access News* reports that only Oklahoma makes it tougher than North Carolina to place a presidential candidate on the ballot. Meanwhile, only Alabama places greater burdens on third-party candidates seeking to run in statewide election races.

North Carolina began printing official ballots in 1901, controlling which candidates and parties appeared. Over the next century, the state regularly revised its laws governing who can and cannot get on the ballot. Third-party activists say that every time minority parties reach the ballot, the state changes the rules and raises the barriers higher.

When a 5,000-signature requirement allowed two new parties to reach the ballot in 1982, the legislature set the signature requirement at an all-time high — 2 percent of the number of voters in the previous gubernatorial election. Today, that translates to 85,000 signatures.

Over the next quarter century, only three parties were able to jump the hurdle — the Reform Party, the Natural Law Party, and the Libertarian Party. None of them, however, has seen a candidate collect 10 percent of the vote, a threshold that (since 1949) has given a party permanent ballot status. The frustration of having to start the petitioning process from scratch each election cycle caused the Reform



CJ graphic

and Natural Law parties to give up after two tries.

## Libertarians keep plugging

Only the Libertarian Party remains standing. Since its inception in 1976, the Libertarian Party has collected enough signatures to get on North Carolina's ballot eight times. And yet it never has reached the 10-percent threshold.

In 2007, the state changed the polling percentage required to retain ballot access from 10 percent to 2 percent.

After spending more than \$200,000 and 3 years collecting the 70,000 signatures then needed to reach the ballot, the party turned in 11 boxes of petitions a month before the June 2008 deadline.

"It's like showing up to the beginning of a marathon already out of breath," said Haugh, paraphrasing 2008 Libertarian gubernatorial candidate Mike Munger.

Munger, a professor of economics and political science at Duke University, collected 3 percent of the vote in 2008 — 120,000 votes — enough to get Libertarians on the 2010 ballot without petitioning.

In previous election cycles, petitioning consumed the Libertarians' time, energy, and money, leaving little for advertising, media engagements, or door-to-door outreach. Party leaders hope 2010 will be different.

"It's hard for us to tell how much our message might resonate with voters, because we've never had an opportunity to present it," Munger said during his brief period on the cam-

paign trail in 2008.

Advocates for third parties still say reaching the ballot is too difficult. "I don't think it's possible for any other party to meet this standard without out-of-state money" to pay petitioners to collect signatures, said Barbara Howe, chairwoman of the Libertarian Party of North Carolina. She thinks the signature requirement should be low enough for a core group of party volunteers to meet it without having to pay outside petitioners. She and Haugh agree that 5,000 signatures is a "perfectly reasonable standard."

"It keeps Mickey Mouse off the ballot," Howe added, "but it doesn't prevent a legitimate grass-roots organization from getting off the ground."

## 'Choices confuse people'

In its court proceedings, the state has defended its signature requirement as a means of keeping voting simple. Allowing multiple parties and candidates on the ballot would confuse voters, the argument goes.

Ballot clutter is a myth, third parties say.

In Tennessee, where only 25 signatures are required, a mere nine parties appear on the ballot.

South Carolina never has had more than four parties on the ballot, and its 10,000-signature requirement is significantly lower than North Carolina's 85,000-signature requirement.

Even a several-page ballot would not present a problem, Haugh argues. He pointed to the 2003 recall election in California that elected Arnold Schwarzenegger governor. There were 135 candidates. One was an exotic dancer.

The ballot was six pages long.

"Yes, it was a bit of a circus," Haugh said, "but it resulted in a clear winner."

## Without representation

Al Pisano, chairman of the Constitution Party of North Carolina, believes three parties is not a crowd. To cater to a diverse population, he said, the menu should be broader.

The Constitution Party offers conservative voters something they can't find in either the Republican or the Libertarian party, he said — positions that are more fiscally conservative than the modern GOP and more socially conservative than the Libertarians.

Similarly, the Green Party offers liberal voters a voice that isn't broadcast from the platforms of Democrats or Libertarians.

In 2005, the Libertarian and Green parties sued the state for violating their members' constitutional rights. They claimed that restricting voting options infringed on freedom of speech, freedom of association, and equal protection under the law. They wanted the signature requirement lessened, if not dropped altogether.

In October 2009, the Court of Appeals issued a split decision favoring the state. The North Carolina Supreme Court is set to hear the case late this spring or early this summer.

## The road ahead

While easing ballot-access restrictions would provide voters with more choices, there's no guarantee that the offerings of third parties would deliver victory at the polls, says Andrew Taylor, a political science professor at N.C. State University.

Minority parties also face restrictive campaign finance laws, a cumbersome candidate nomination process, and above all, a winner-takes-all electoral system, written in the U.S. Constitution, which was not designed to accommodate third parties.

What third parties want more than the presidency or high poll numbers, Taylor said, is to be invited to debates and given an outlet to present their ideas.

"At the moment they don't even have that," he said, "because the organizers don't invite them. They're effectively muzzled."

"They are just asking to make a case, and if the public's not interested in what they have to offer, then so be it," he said.

Although easing ballot access is not a sufficient condition for the rise of third parties, Taylor said without it, "they are fighting with one hand tied behind their backs." CJ

# 45 Law Firms Seeking Cut of State Pension Litigation

BY SARAH OKESON  
Contributor

RALEIGH

The collapse of investment portfolios has securities law firms trolling for clients eager to sue over lost money. State pension funds are major targets for the high-flying litigation shops.

North Carolina is in the crosshairs of some 45 law firms. State Treasurer Janet Cowell will choose about 10 to serve as a pool for lawsuits. Representatives from Cowell's office and the office of Attorney General Roy Cooper are evaluating proposals from the firms.

In lawyers' parlance, the selection process is known as "the beauty contest." One of the firms targeting North Carolina is New York-based Bernstein Litowitz.

In 2005, the firm won a \$6 billion settlement in the WorldCom case brought by investors over the accounting fraud that brought down the long-distance phone company. Attorney fees for that case were \$336 million. The lead plaintiff was the comptroller of New York state, because of investments in WorldCom by the state's pension funds.

Cowell has received more than \$123,000 since 2007 in campaign contributions from employees and other people connected to the law firms that are trying to get the state's business. The biggest contributors to Cowell were people connected to Bernstein Litowitz — which contributed at least \$45,690, including in-kind contributions for catering and lodging.

Cooper received at least \$76,825 in campaign contributions since 2007 from employees and others connected



to the law firms seeking the state's business. People connected to Bernstein Litowitz were also his biggest contributor, with \$18,500 in contributions.

Tony Gelderman, who heads the Louisiana office of Bernstein Litowitz, contributed \$8,000 to Cowell and provided lodging worth about \$1,000. He contributed \$5,500 to Cooper. Gelderman did not respond to a phone call and e-mail seeking a comment for this story.

In Florida, which recently chose five law firms to represent the state in securities cases, the competition featured an anonymous letter about ethical questions, law firms that hired lobbyists, and former partners who had lost their jobs after criminal convictions.

"It really was a theater of the absurd," said Edward Siedle, a former

attorney with the U.S. Securities and Exchange Commission. "The hiring of plaintiff firms is the most controversial thing a public fund can do because of questions surrounding the merit of class-action securities cases and also the bad conduct or behavior of these firms."

James Cox, a professor at the School of Law at Duke University, said North Carolina shouldn't be having people tied to elected state officers such as Cowell and Cooper choose the law firms.

"I think you should get it out of both those offices," Cox said. "I think it should be in some more neutral body."

Noelle Talley, a spokeswoman for Cooper, said that if a law firm is hired, "we will urge that the treasurer's office selection process be insulated from outside influence by having a team of independent evaluators analyze the firms' qualifications."

Pension funds weren't always big players in securities litigation, but that changed with a 1995 law intended to discourage frivolous lawsuits. At that time, the firm that first got to the courthouse controlled securities lawsuits.

The Private Securities Litigation Reform Act was intended to "empower investors so they, not their lawyers, control securities litigation." It handed control of the suit, or the lead plaintiff status, to the investor with the biggest loss. In practice this typically meant public pension funds. The theory behind the switch was that institutions suffering big losses would monitor the handling of the lawsuit better than other plaintiffs would.

The law was also known as the "Anti-Milberg Weiss Act," after

a dominant securities law firm. Top Milberg Weiss partner William Lerach was known as the "king of shareholder lawsuits" for his aggressive pursuit of shareholder losses through litigation.

But the law initially helped Milberg Weiss more than it harmed the firm. After its passage, law firms, including Milberg Weiss, began to woo pension funds with campaign contributions.

Adam Pritchard, who teaches corporate and securities law at the University of Michigan Law School, has studied the connection between campaign contributions and legal fees in class action cases. He found that large funds tend to negotiate lower fees, but that difference disappears once campaign contributions to state pension fund officials are accounted for.

"The political contributions are taking us back pretty much where we were before Congress adopted the law," Pritchard said.

Milberg Weiss collapsed after revelations that the firm had paid more than \$11.3 million in kickbacks to get clients to sue. Lerach and other partners from the firm went to prison. Two offspring of the original firm, Coughlin Stoia of San Diego and Milberg LLP of New York City, have expressed interest

in doing business with North Carolina.

Another firm seeking North Carolina's business is Bernstein Liebhard LLP of New York. It dropped out of the competition in Florida to handle

securities litigation after a senior partner made inaccurate statements to a selection committee.

An anonymous letter mailed to Florida's attorney general also raised ethical questions about the firm.

Bernstein Liebhard has hired two lobbyists in North Carolina, the only firm seeking North Carolina's business that has done so, according to filings with the secretary of state. One of Bernstein Liebhard's lobbyists is Jerry Meek, former chairman of the North Carolina Democratic Party. The firm also hired a lobbyist in Florida.

A few North Carolina firms are seeking to represent the state, including Blue Stephens & Fellers in Raleigh, which has submitted a joint proposal with Hagen Berman Sobol Shapiro of Seattle.

Managing partner Dan Blue, chairman of Duke University's Board of Trustees and a Democratic state senator from Wake County, told *Carolina Journal* his firm has not been involved in securities litigation, so "we teamed up with the best firm in the country to do it." CJ

Firms under consideration gave money to some state officials

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The North Carolina History Project is a project of the John Locke Foundation

## COMMENTARY

## Recreational Media: The Other Parent

Increasingly sophisticated technologies and rapidly evolving media platforms have fueled an epic surge in children's media use. So influential is media in kids' lives, the resource group Common Sense Media has dubbed it "the other parent."

Shocking as this sounds, new data on the recreational habits of tweens and adolescents reveal it's on the mark. Parents and educators must thus face the daunting task of helping kids navigate a media-saturated culture in a way that promotes healthy development and school success.

Cutting back on media time would be a great place to start. According to a recently released Kaiser Family Foundation study, "Generation M2: Media in the Lives of 8- to 18-Year-Olds" — assessing 2,000 students from public, private, and parochial schools — kids spend on average more than 7 hours a day (53 hours a week) on recreational media with devices such as cell phones, MP3 players, computers, and television.

Children's daily media use has increased by an hour and 17 minutes over the past five years; researchers attribute this uptick to expanding mobile technologies. Now, according to Kaiser's Vicky Rideout, "there is nothing that occupies more of young people's time than media. Not school. Not church. Not family."

What does this mean for parents? The purchasers of children's media devices, parents are also the gatekeepers of media usage. Surprisingly, most parents don't regulate media time: according to Kaiser's study, only one-third of students had any parental restrictions on TV, video game, or computer time.

There are compelling reasons to reconsider. Parental rules drove down daily use by about three hours, Kaiser's study found. Moreover, light media users (consuming less than three hours daily) were likelier to say they were happy at school.

Heavy users (tethered to media for 16-plus hours daily) were likelier to say they got into trouble frequently, and were often bored,

sad, or unhappy.

Kids' consumption of recreational media is related to school success as well.

Heavy media users were more than twice as likely as light users to say they earned "fair" or "poor" grades — Cs or below. In fact, almost half of students at the high end of media use said they did not perform well in school. But 66 percent of light users said they got good grades.

Mobile technologies aren't just transforming kids' leisure time; they're also affecting school culture. While technology in general has advanced and enriched classroom learning, students' mobile devices have not.

Cell phones among students are now ubiquitous — Kaiser reports 85 percent of 15- to 18-year-olds own them — meaning administrators must make decisions about how to regulate them.

Most high schools prohibit cell phone use. Kids are using them anyway. According to a 2009 Common Sense Media poll, teens with cell phones send an average of 440 text messages per week, 110 of them while in class.

A sizeable minority — 35 percent — say they have used phones to cheat. Some text test answers to friends, while others access answers online.

Such behaviors have schools scrambling for solutions: a recent MSNBC.com article reports that officials in one Alabama county are confiscating offenders' phones for 30 days and scanning them for cheating and other infractions.

Used properly, technology and media have tremendous value and utility — for education, enjoyment, and connection. Mobile technologies have irrevocably altered and animated the panorama of children's media options.

But even in a culture awash with digital advances, children can't find their own way. They need firm, enforceable rules and guardrails from parents and educators — now, more than ever. CJ

*Kristen Blair is a North Carolina Education Alliance Fellow.*



**KRISTEN  
BLAIR**

## Guilford Schools Want in on Federal Stimulus Spending Fun

By SAM A. HIEB  
Contributor

GREENSBORO

Some Guilford County Schools officials seem to feel the system shouldn't let everyone else have all the federal bond fun.

While county commissioners and the Greensboro City Council are still trying to hash out the confusion surrounding federal stimulus bonds for a proposed downtown luxury hotel, GCS is reviewing its list of projects that could be funded with federal bonds, entertaining the idea of using those bonds to pay for projects passed by voters in a 2008 local bond referendum.

GCS stands to gain \$34 million in no-interest Qualified School Construction Bonds, which were authorized by the federal government through the American Recovery and Reinvestment Act. Proceeds must be used for the construction, rehabilitation, or repair of public school facilities or the acquisition of land on which a school facility would be built.

But some school system officials want to divert those funds to cover existing bond obligations.

The North Carolina Department of Public Instruction reports that the state received a total QSCB allocation of \$275 million. Of that, \$261 million has been passed along to school systems, with \$34 million in total bonds being issued. The state's top five county school systems — Cumberland, Forsyth, Guilford, Mecklenburg, and Wake — were allocated a total of \$88.4 million.

The stimulus act also more than tripled funding for another federal school bond program. The Qualified Zone Academy Bond allocation went from \$400 million annually nationwide to \$1.4 billion for 2009, with an equal allocation coming in 2010.

North Carolina in total received \$44 million in QZAB. Of that total, \$19 million has been allocated to 13 school systems.

GCS's \$34 million in qualified school construction bonds will come in two \$17 million installments, one for 2009 and another that is expected for 2010. Facilities director Leo Bobadilla told the Board of Education at a recent meeting that while the federal government will allow systems to carry over

2009 allocations, they will not be allowed to carry over 2010 allocations, creating what he described as a "use it or lose it" situation.

Bobadilla and system chief financial officer Sharon Ozment presented the board with a list of projects that would qualify for QSCB funding, the majority of them heating and air conditioning improvements to several schools. Also included on the list were door, window, and roof replacements at several schools.

The most expensive renovations are HVAC upgrades at Ferndale Middle School, at a cost of \$2.4 million, and at Northeast Middle School at a cost of \$1.5 million.

Bobadilla also offered up another alternative, however — use some of the QSCB bonds to fund projects in a \$457 million bond referendum approved by voters in 2008. Guilford County commissioners, who already have warned school officials to brace for another tight budget year, are pushing that alternative.

Bobadilla suggested the proposed Northern Greensboro Elementary School, at a cost of \$25 million, for QSCB funding.

School board chairman Alan Duncan noted that switching new construction from the local bond to federal bonds would save taxpayers \$6 million.

"It's very important to preserve our assets, because they're the taxpayers' assets," Duncan said.

But board member Nancy Routh questioned that notion, saying the money saved was only "imaginary money" because it was merely savings on debt service.

"Theoretically it's there, but there's not \$6 million somewhere in existence that the county could allocate for another project," Routh said.

In the end, the board voted 6-3 to approve the list of maintenance projects as presented by staff and present it to county commissioners, with Duncan and fellow board members Garth Herbert and Paul Daniels voting against. Board members Amos Quick and Deena Hayes were not present.

Still, as school systems across the state wait for their 2010 allocations, the big question is how quickly they will have access to funds. The economy is still slow, and the bond market remains down. CJ



# Fireworks Follow State Board's Proposed History Course Changes

By JIM STEGALL  
Contributor

RALEIGH

A Feb. 3 Fox News report on a draft proposal to change the way U.S. history is taught in North Carolina schools set off a public firestorm that sent the Department of Public Instruction back to the drawing board.

The brouhaha revealed a high level of suspicion and mistrust among critics of the state's education establishment, as well as frustration among officials charged with administering the state's public schools. It also focused intense public scrutiny on state education policymakers who often operate in relative obscurity.

The State Board of Education is the body responsible for approving the curriculum of required courses taught in North Carolina public schools. A 2008 blue ribbon commission had reported that these courses were "too broad and not deep enough." The commission recommended that a new curriculum be developed that would "limit learning objectives at each grade level to only those that are of undisputable importance and can be successfully taught ... in the time available."

Acting on the commission's findings, the board approved changes to the math and science curriculums in 2009 with little fanfare. Next up were English and social studies. The team chosen to work on the social studies curriculum was mindful of the commission's findings, and of complaints from teachers, parents, and students that there was not enough time in the required 11th-grade U.S. history course to cover more recent history.

As a result, important historical events in the late 20th century, such as the roots of conflict in the Middle East, the aftermath of the Cold War, and the emergence of terrorism were being dealt with lightly if at all. The curriculum writers' solution was to focus the 11th-grade U.S. history course on events since the

end of reconstruction in 1877, and relegate the study of everything before that to earlier grades.

Following standard procedure, the first draft of the proposed new curriculum was posted on the Department of Public Instruction's Web site on Dec. 15, and comments from the field were solicited. History teachers were asked to weigh in with comments and suggestions, and at least one "webinar" event was conducted later that month to allow virtual face-to-face contact with DPI officials.

As details of the draft proposal became more widely known, negative feedback from the field began to mount. By late January, North Carolina lawmakers were beginning to get involved, contacting DPI officials to pass on comments from teachers and other constituents

concerned about the proposal.

Critics of the proposed changes said that confining the study of the nation's founding and such issues as slavery and the Civil War to the elementary and middle school levels would weaken the curriculum and leave students with an underdeveloped sense of American history. They argued that the concepts and events surrounding the creation of the republic and its near demise are essential to a mature understanding of the American experience, and should be explored by older students.

DPI officials working on the proposed revisions were well aware of these comments from the field before the Fox News report.



when Senate President Pro Tem Marc Basnight, D-Dare, weighed in against it. In a Feb. 12 letter to Atkinson and State Board of Education Chairman Bill Harrison, Basnight said that he was "absolutely opposed" to the proposed changes.

Echoing the comments of earlier critics, Basnight wrote, "As a reader of history myself, I think that no one should graduate from high school without a thorough understanding of the Declaration of Independence, the Founding Fathers, the writing of the Constitution, and the personalities involved. Furthermore, it is my belief that only high school students have the capacity to understand complex and awful parts of our nation's history such as slavery and the Civil War."

Basnight's opposition may have been the final nail in the coffin of "Draft 1.0," as the proposed revision had come to be called. In a presentation to lawmakers on Feb. 16, school board Executive Director Rebecca Garland conceded that the proposal was "dead on arrival." She said the board will now consider plans calling for two history courses, one covering events from pre-Columbian times through the Civil War and Reconstruction, and the other dealing with events since 1877.

Garland told lawmakers that since the Fox News report came out, her department had received over 7,000 e-mails, many of them abusive in nature, about the proposal. She called the report "erroneous" and blasted an individual whom she did not name for sending the draft to Fox News, "rather than share his comments with us."

She said that because of the Fox News story, her curriculum writers had to spend "a significant amount of time to clear up erroneous information that was sent out over the Internet" as the story went viral. She defended the work her writers were trying to do, citing a law approved last year allowing more U.S. history to be taught in middle school.

The individual Garland seemed to be blaming for initiating the public dustup is Mike Belter, a Rockingham County history teacher. Belter had been one of the teachers who had attempted to participate in the Jan. 12 webinar with DPI.

Belter told *Carolina Journal* Fox News first contacted him. Belter said that he had shared his concerns with several people, and that one of those was a friend whose daughter worked for Fox News. DPI officials say they were told by Fox News that someone had contacted them with a lead for the story.

Belter is not certain whether it was his actions that sparked the Fox News story, but even if it was, he's not apologizing. "The public needed to know," he said. "I still believe that if all this hadn't come out, 'Draft 1.0' would be very close to the final product."

As things now stand, the "final product" won't be known for some time. Following normal procedure, a new draft most likely will be posted in April and further comments solicited. "The State Board of Education is not in a hurry," Garland told legislators, explaining that the board was more interested in making sure it gets the new curriculum right before it's implemented.

**Fox News  
report prompted  
more than  
7,000 e-mails  
to State Board**

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# Goldberg: Fascism's Origins are Leftist, Progressive, Utopian

By CJ Staff

RALEIGH

People who object to modern-day liberal policies often hear the insult "fascist" or even "Nazi." Jonah Goldberg, editor-at-large for National Review Online, says those insults are aimed in the wrong direction. Goldberg has spent much of his career debunking the notion that a conservative viewpoint has anything to do with fascist ideas. Goldberg discussed his book *Liberal Fascism* with Mitch Kokai for Carolina Journal Radio. (Go to <http://www.carolinajournal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

**Kokai:** Some people see the title of the book and say, "Well, he's calling all liberals fascists."

**Goldberg:** That's not what I'm saying. The title of my book actually comes from a speech by H.G. Wells. People forget that H.G. Wells was one of the most important progressive figures in the English language, for progressives. And he was the one who called for something called "liberal fascism." He also called for "enlightened Nazism," and I could have called my book that and really made friends.

The basic argument, at least of the first half of the book, is that we have been taught, as a culture, that the further you move to the right, in the Anglo-American tradition, the closer you get to Nazism. And not only is this wrong, it's a terrible slander.

The reality is that ... look, I define right wing basically as two pillars, right? One is traditional values, family values, Judeo-Christian tradition, however you want to define it, and the other one is free markets, free minds, libertarianism, all that kind of stuff. Those two pillars were exactly what fascist movements in Europe fought against.

They were opposed to tradition, opposed to Christianity, and opposed to limited government, and opposed to free markets. That was what they were standing for. And so what I try to do, in the first half of the book, is simply correct the record and show — and I think I do it fairly well — that by any fair, objective definition of right wing and left wing, in the Anglo-American tradition, fascism has to be seen as a left-wing phenomenon.

**Kokai:** Why do you have to make that case?

**Goldberg:** Because so much of the political debate for the last 70 years has been defined by this often sincere, but flagrantly wrong, impression that the Left has that they are, by fighting conservatism, by fighting libertarian-

*"People say, 'How could Nazis be on the left since Nazis and Communists hated each other?' Well, it was Coke versus Pepsi. It wasn't a categorical difference. It was the tyranny of small differences that really made them hate each other."*

Jonah Goldberg  
Author of *Liberal Fascism*



ism, they are fighting fascism. Meanwhile, things that a visitor from Mars would recognize as fascistic get almost no scrutiny on the Left. And one of the only lessons I really want the Left to take from the book, one of my hopes was that the word "fascist" [would] be removed from political discourse, not become more popular. And on that front I failed completely.

But it's to understand that fascism was ... the Nazis didn't flip a coin and lose and decide they were going to be the villains of the 20th century. No one decides they want to wear the black hats and be the bad guys for all time and get played by bad British actors in World War II movies.

Fascism crept in as a progressive, modern, forward-thinking phenomenon. And there are a million different clichés about how the road to hell is paved with good intentions and all of the rest. That doesn't mean they're not true. It takes no intellectual courage whatsoever to look at things you don't like and yell "fascist."

It takes real intellectual courage to look at things you do like that seem good, that seem helpful, that seem to be moving the wheel of history forward, and say, "Hey, gosh, what could this lead to?" And that was the lesson for progressives that I thought was very important. I also thought it was fair to sort of exonerate conservatism, which I believe in passionately, from what was essentially a false and libelous charge.

**Kokai:** This book came out in 2007. Does the election of Barack Obama in 2008 prove your point?

**Goldberg:** I needed to do two things. One is I had to have the very clear caveat that nowhere in my book, nowhere, do I say that liberals are Hitlerite genocidal racists who want to kill people and round them up and all that kind of thing. I don't do what the Left does and make reckless *ad Hitlerum* charges, and I don't think Barack Obama is a Hitler. I don't think he's a Stalin.

I don't think he's a Mussolini. And while I think it's unfair to say

those things about Obama, I think it's even more unfair to say those things about Americans. The idea that we would support anybody like that is just not in the American character. We are a liberty-loving people, deeply addicted in the habits of our heart to constitutional government, and we won't go that way.

That said, it does seem like Barack Obama is determined to prove the arguments laid out in my book and with reckless abandon. At times it seems as if he saw the book and said, "Gosh, I got to help this guy sell books."

Because everything, from the way he campaigned — this messianic, sacralized version of politics, where politics are going to be redemptory and utopian and all of the rest, to the corporatist means by which he is running the government, where government and big business get in bed together to squeeze out the little guy, squeeze out the entrepreneur, to redistribute wealth — all of these things come straight out of the arguments I made originally in the book about Hillary Clinton.

And it turns out that Barack Obama out-liberal-fascists Hillary Clinton, which was an amazing thing. And I think anybody who read the book before Barack Obama came along has been amazed. I get hundreds of e-mails from people saying, "How did you know?" I didn't know.

But I think it sort of confirms my basic argument about the thrust of contemporary liberalism, that it does have this family resemblance to fascistic movements and leftist movements generally. Because one of the main arguments I make in the book is that the differences between leftist movements are very small in their emotions and in their categorical thinking.

People say, "How could Nazis be on the left since Nazis and Communists hated each other?" Well, it was Coke versus Pepsi. It wasn't a categorical difference. It was the tyranny of small differences that really made them hate each other. They were two dogs fighting over the same bone.

**Kokai:** What lessons from history should we pay particularly close atten-

tion to today?

**Goldberg:** The most dangerous thing, generically, in a democracy, is groupthink. And I think there are an enormous number of people who watch politics like it's a TV show and think, "Ah, this bickering is annoying, and ... some people say this, and some people say that. Why can't they all shut up and just agree?"

And I have sympathy with their exhaustion. As a pundit, I'm trolling around in this muck 24/7. But the simple fact is that democracy is about disagreement, not about agreement. And when you hear people like Barack Obama saying "I don't want to hear any talk from the people I disagree with," or when you hear people like Al Gore say "the time for debate is over," well, screw you, this is a democracy. And in a democracy, the time for debate is never over.

There is this yearning out there for us to get past partisanship and past our philosophical differences and our ideological divide and all of the rest. What I would ask people to listen for when they hear that, when they hear about this post-partisan nonsense, is ask yourself: Have you ever heard somebody say we really need to move beyond these ideological labels, move beyond this philosophical divide, and so, therefore, I'm going to abandon all of my principles and agree with you?

No one ever says that. They only say that when they want you to shut up and get with their program. And so I would say that this quest for unity, this quest for silencing dissent, it is in that climate that history's greatest mistakes and crimes are made.

Regardless of whether or not you agree with Obama's rhetoric or Obama's program or agenda, let's keep in mind that I don't think dissent is the highest form of patriotism, but I think it's really scary that now we're hearing that dissent is the lowest form of racism.

In a democracy, we're supposed to have arguments. When you hear people say "no more arguments," you should flip the safety on your metaphorical rifle.

# Actor Glover Reframes MLK In King Day Speech at UNC-CH

By JAY SCHALIN  
Contributor

RALEIGH

UNC-Chapel Hill made a curious choice for the keynote speaker to top off a week of activities devoted to the memory of Dr. Martin Luther King Jr. While Danny Glover has had a solid career on films and stage, he is neither a scholar nor an associate of King's, nor has he established himself as a King "expert" by writing a biography or series of articles about him.

Glover has, however, kept himself in the national spotlight in recent years, mostly by making inflammatory statements and keeping company with despots. His activism has placed him in the far left of American politics.

He has a longstanding friendship with the Communist Cuban dictator Fidel Castro and also has developed close ties with Venezuelan socialist leader Hugo Chavez.

Perhaps Glover's politics led the university to invite him to Chapel Hill to speak on Jan. 21. If so, Glover did not disappoint. He presented King in a different light than he is commonly perceived — not as a uniter of people and civil rights advocate, but as a socialist who wished to "radically restructure the architecture of American society."

Glover did not falsify his portrait of King, but rather showed King at his most radical. Glover said that one should not focus on King at any particular point in time, since King experienced an "evolution" from a "civil rights leader to a human rights leader." As Glover revealed, the Martin Luther King who led the Montgomery bus boycott in 1955 was not the same as the one who in 1967 wrote *Where Do We Go From Here: Chaos or Community?* — a paean to the redistribution of wealth and income.

Glover heartily endorsed this transformation. To students who are not well-versed in political theory and the rhetoric of the political left, this change of focus from civil rights to human rights may sound positive. But these terms have very specific meanings.

Civil rights are those rights that confer equality under the law — they disallow discrimination and guarantee equal access to legal redress. Human rights, as defined by the political left, often go way beyond civil rights by seeking to institute government-mandated economic equality.

Glover highlighted the King who

called for the creation of a "guaranteed income," which he wanted to be set at the median income in the country.

Other American heroes have supported ideas that are not part of the American tradition after they achieved acclaim. Thomas Jefferson supported the French Revolution, despite that event's shaky philosophical foundations and devolution into vindictive bloodshed, corruption, and, with the rise of Napoleon, despotic military dictatorship.

Thomas Paine actually served in the French revolutionary government briefly, and later called for nations to provide guaranteed incomes. But the legacies of these men rested on their early achievements; today they are forgiven for

deviating from the original ideas of the American Revolution.

Glover, however, suggested that the later King is the one who truly merits our attention and admiration. He almost dismissed the traditional King from the 1950s and early 1960s, when King led the fight for integration and wrote "Letter from Birmingham Jail" and his "I Have a Dream" speech.

At one point Glover suggested that the protests and marches that broke the color barrier were "easy," that "minor embarrassing incidents like desegregating a water faucet" were "easily accomplished." What King eventually decided was really important, according to Glover, was attacking "structural racism," and that required radical restructuring of the nation and its economy.

Glover suggested that King's later radicalization was part of the natural progression of history — a "movement" of human advancement that began with the Magna Carta and continued through the American Revolution, the abolition of slavery, and the civil rights movement. Including King's shift leftward in this advancement suggests that the entire thrust of historical advancement, particularly in America, is leading to socialism.

This perspective of the flow of history meshes with Glover's own politics. In the question-and-answer period following the speech, he said that "capitalism is not a science, merely a relationship," and "we're going to have to find another relationship just for the species to survive." CJ

Jay Schalin is senior writer for the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).



Danny Glover

## COMMENTARY

# Why So Few Faculty Conservatives?

Neil Gross, professor of sociology at the University of British Columbia, and Ethan Fosse, a doctoral student at Harvard, recently argued that few conservatives enter teaching because the stereotype of a professor's job doesn't fit the image they have of themselves.

Just as few men want to go into nursing because it's viewed as a woman's occupation, so do few conservatives want to go into the professorate because it's viewed as a liberal's occupation.

The Pope Center asked several professors to comment on the Gross/Fosse thesis. Here are excerpts from some of their replies. (More can be found at the Pope Center Web site.)



GEORGE  
LEEF

**Michael Munger, Duke University:** Some people have claimed that the lack of conservative professors is caused by the fact that conservatives aren't interested in being professors. In other words, conservatives aren't interested in things like history, literature, and the classics. Presumably, the idea is that conservatives just want to play golf and wear plaid pants and sweater sets in alarming colors. This idea is absurd on its face: history, literature, classical education, and constitutional government are at the very center of the conservative ideal.

**Burton Folsom, Hillsdale College:** For sure, liberals breed liberals, and likes attract likes. Thus, the leftists on campus perpetuate themselves generation after generation. The Gross and Fosse article goes into more variables, and some of those are probably important, too. Academics usually have modest lifestyles — no serious desire for a Mercedes or a beach house. Also, they must be loners to some extent. I can't see, however, that there is anything in the professor's job that makes it unappealing to conservatives and libertarians.

**Mark Bauerlein, Emory University:** Although one is tempted to quibble with this or that contention, the ultimate conclusion to the study rings true. It is: "the professoriate ... has been 'politically typed' as appropriate for and welcoming of

people with broadly liberal political sensibilities, and as inappropriate for conservatives." Whether that reputation is deserved or not, it has an impact upon students with any ideological radar, and they respond accordingly. If they sense at age 19 that an occupation is uncongenial to their dispositions, they'll drift elsewhere. Thus a self-selection process reinforces the reputation over time.

**Mary Grabar, Georgia Perimeter College:** Had Neil Gross and Ethan Fosse bothered to *talk* to conservatives in the academy or to the multitudes who left in disgust, they might have learned about the harassment, ridicule, censorship, and open discrimination we face.

I would have told them about my experiences in graduate school, like being branded an ignorant Christian fundamentalist for simply pointing out the religious references in T.S. Eliot's poem "Ash Wednesday." A rhetoric professor, for my lonely defense of Socrates in the dialogues, suggested that I might even like the writings of "fascist" writer Richard Weaver. That is how I often made my discoveries of the rich conservative intellectual tradition.

**Thomas Bertonneau, SUNY Oswego:** The study by Fosse and Gross, aside from offering a circular argument (the academy is liberal because liberals ... are drawn to the academy), runs counter to everything that I have observed in nearly 30 years of teaching. The professoriate is not merely liberal, it is radically left liberal in its basic assumptions. ... The most ridiculous claim by Fosse and Gross is that the political character of the academy can be explained in part by the fact that the scholarly life attracts people who have a "high tolerance for controversial ideas." On the contrary: the academy is intellectually conformist and averse to actual controversy. On every subject — from "global warming" to Darwinism to affirmative action to abortion — there is just one permissible opinion. CJ

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

## Campus Briefs

Milton Welch, an assistant professor at N.C. State University, kicked off Black History Month at St. Augustine's College in Raleigh with a talk that related the writings of three prominent African-Americans — W.E. B. DuBois, Anna Julia Cooper, and Booker T. Washington. In January, Welch presented a similar lecture to honors students at N. C. Central University. The Pope Center sponsored both talks with a grant from the Arthur Rupe Foundation.

Welch noted that the classics, often called Great Books, sometimes are dismissed as having been written by "dead white males." Not only is that untrue (the writing of Frederick Douglass, for example, is among the classics), but the implication that the classics have little to say to minorities or women is wrong. Welch explained that DuBois and Cooper valued Great Books because they help the "active cultivation of oneself," not because they provide a "passive transmission of customs."

For DuBois, reading the classics offered an alternative to the discrimination and mistreatment of blacks. Welch quoted a poignant passage from DuBois: "I sit with Shakespeare, and he winces not. Across the color line I move arm in arm with Balzac and Dumas, where smiling men and welcoming women glide in gilded halls. ... Is this the life you long to change into the dull red hideousness of Georgia?"

Building on the idea that reading classics spurs self-development, Welch discussed Booker T. Washington. Critics say that Washington, a proponent of industrial education for blacks, had little sympathy for arts or even the traditional education espoused by DuBois. Welch disputed that claim. He quoted a passage from Washington showing his admiration of the black artist Henry Tanner, and Welch explained that Washington's emphasis on active involvement in productive work reflected his concern with developing the inner person.

Welch received his Ph.D. at the University of Virginia. His research interests are in poetry and African-American literature, especially in the ways that poetry engages intellectual and social history. At N.C. State, he teaches courses in world literature, American literature, and Africana studies. CJ

Compiled by Jenna Ashley Robinson, campus outreach coordinator for the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).

## Report Reviews Speech Codes at N.C. Colleges

By JANE S. SHAW  
Contributor

In theory, America's colleges and universities are strongholds of classically liberal ideals, including the protection of an individual's right to open debate and inquiry. In real life, however, this is often not the case. Across the country, universities deny students and faculty constitutionally protected rights to freedom of speech and expression.

The Foundation for Individual Rights in Education (FIRE), a Philadelphia-based organization, regularly issues alerts about clampdowns on the rights of freedom of speech. Donald Downs, a professor of political science, law, and journalism at the University of Wisconsin at Madison, has called FIRE "the leading professional organization dedicated to academic freedom in higher education."

In February, the John W. Pope Center for Higher Education Policy joined with FIRE to report on the state of freedom of speech in North Carolina. The new report, "Do North Carolina Students Have Freedom of Speech?" by the Pope Center's Jenna Ashley Robinson, is based on careful scrutiny of speech codes, harassment policies, restrictions on e-mails, and other regulations. The Pope Center worked with Azhar Majeed, FIRE's associate director of legal and public advocacy, who evaluated school policies using FIRE's methodology. The report covers 55 four-year colleges in the state, public and private.

The report shows that no school truly protects freedom of speech. The report, which lists the rating of each school on freedom of expression, does not include a single "green light" — FIRE's signal that schools do not threaten students' free-speech rights.

More than half — 34 schools — in North Carolina received "red-light" rankings, meaning that they "clearly and substantially" restrict freedom of speech. Another 16 schools received a "yellow-light" ranking, indicating that the school has some policies that "could ban or excessively regulate protected speech."

A few private schools, out of conviction, place religious values higher than freedom of speech. They are marked in the Pope Center report as "not rated," and no criticism is intended, explains Robinson. Their choice to restrict speech — and to inform their students — reflects the diversity of the nation's institutions.

But many private schools claim to provide open inquiry yet do not, says Robinson. She cites Duke University as an example. It states that the university "cherishes freedom of expression, the diversity of values and perspectives inherent in an academic institution,



the right to acknowledgment, and the value of privacy for all members of the Duke community." Its computing and electronic communications policy, however, restricts what students can send by e-mail. Duke received a yellow-light ranking.

"Some university policies may look like rules to protect decorum or foster good manners," writes Robinson, "but they are often so broad that they can stifle the free exchange of ideas." Speech-code prohibitions against "innuendoes," "teasing," and "disdain," for example, can repress free expression.

Robinson quotes FIRE: "The university setting is where students are most subject to the assignment of group identity, to indoctrination of radical political orthodoxies, to legal inequality, to intrusion into private conscience, and to assaults upon the morality of individual rights and responsibilities."

Among the examples of policies that restrict speech in North Carolina:

- Davidson College bans "innu-

endoes," "teasing," "jokes," and "comments or inquiries about dating."

- Livingstone College prohibits any conduct or expression that is "offensive or annoying to others."

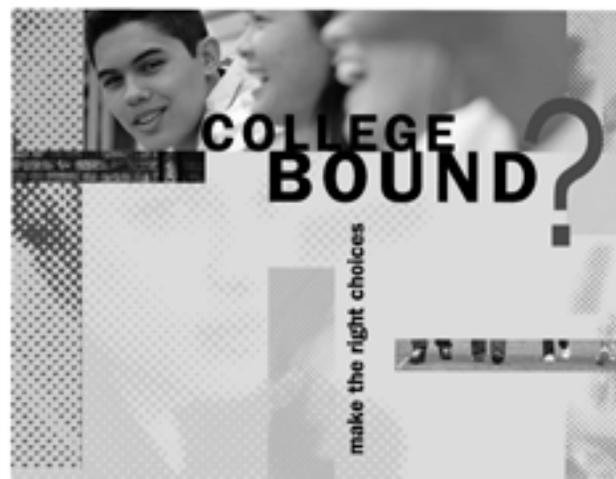
- UNC-Greensboro "will not tolerate any discrimination against, or disrespect for persons."

- Campbell University prohibits "obscene or indecorous language or conduct indicating his/her disapproval of any matter."

The publication and distribution of *Do North Carolina Students Have Freedom of Speech?* reflect the Pope Center's ongoing interest in encouraging diversity of thought at North Carolina's colleges and universities. Copies of the paper are available from the Pope Center and also are located on the Web site at [popecenter.org](http://popecenter.org), along with details of the specific violations at each North Carolina college or university. CJ

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

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Opinion

# Requiem for a Heavyweight: Bowles Announces His Resignation

I was feeling rather intimidated at my first University of North Carolina Board of Governors meeting in the fall of 2007. It was a big step up from the suburban New Jersey township councils and planning boards I used to report on.

As I gazed over the Spangler Ballroom where the meetings are held, the gathering looked more like a social event than a governance meeting, with fashionably dressed people exchanging laughs and hugs before getting down to business. I knew that one of the governors was a former governor of North Carolina, and I knew that the president of the university system had served as President Clinton's chief of staff.



JAY SCHALIN

As a new employee of a conservative-leaning think tank in an academic setting where the politics trend liberal, I had no problem being anonymous. My job was to report on the meeting, so I sought a seat where I could be a mere "fly on the wall."

A tall, slender man with thick glasses and thinning brown hair introduced himself: "Hello, I'm Erskine Bowles." He was gracious and welcoming, and knew who I was. His attention flustered me. I mentally kicked myself for giving a bad first impression — he probably walked away thinking that I wasn't the swiftest boat in the lake or that I had been deliberately

rude because of political animosity — unless he dismissed me without a second thought.

I wondered about the man I had just met. I knew only that he was a successful financier who worked for Clinton during the Monica Lewinsky mess, and that he had lost of couple of U.S. senatorial elections. Was he truly this open and friendly, or was he merely keeping his "enemies" close at hand? After all, no one could have the career that he had without learning how to disarm, cajole, and charm the opposition.

In time, I realized that he is many conflicting things. He is somebody who directed his staff to cooperate fully with critics (me) from the opposing side of the political spectrum, knowing that I might use that help to attack his policies in the op-ed pages. He is also somebody who could "cuss out" a student government representative to get the young man on board with his policies (according to the young man). He is a part of North Carolina's Democratic machine, which is gaining a reputation for corruption, yet he favors greater



Soon-to-retire UNC President Erskine Bowles

transparency. He is a genuinely decent man who sought substantial improvements, as well as a dangerous political infighter with an agenda.

And he told me in an e-mail to "never pull your punches" when I was criticizing him. He is a complex Southern stew of qualities that inevitably made him rich, famous, popular, powerful — and effective.

Bowles had previously performed on much larger stages than the UNC presidency, and he overwhelmed his provincial supporting cast. For example, UNC Tomorrow began as an independent commission launched by the Board of Governors, but once he adopted it as his own, it produced a blueprint for the university system — to which all policy changes must adhere — that mostly echoed his wishes.

His legacy includes his involvement in the Mary Easley affair, in which the former governor's wife improperly was given a sweetheart job and an outlandish raise at N.C. State University. When improprieties first

became public, Bowles circled the wagons and defended Easley, N.C. State chancellor James Oblinger, and provost Larry Nielsen.

After serious ethical offenses were proven, Bowles' failure to launch an investigation hurt his reputation. Still, while there have been scandals on his watch, none — including Mary Easley's job — were caused by his appointments (although there might be one brewing at N.C. Central).

He also never approached the biggest problem in the university system: the left-wing ideological bias that dominates academia. But if he was not the UNC president conservatives wanted, he was perhaps the best they could get, given the state's Democratic dominance.

In the final analysis, he must be commended for his public service without regard for personal gain. It is hard to imagine Bowles being corrupt on his own behalf. His family has contributed much more to the university system over several decades than he received in total salary (he also donated a \$125,000 raise to need-based scholarships).

Bowles' policies and actions have often frustrated, angered, and bewildered me. Yet, with his retirement impending, I can only respect a man who aids and encourages his most ardent critic, in order to be sure he's getting all sides of the story with which to make decisions.

There soon will be big shoes to fill in Chapel Hill. CJ

Jay Schalin is senior writer for the John W. Pope Center for Higher Education Policy ([popecenter.org](http://popecenter.org)).

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# Global TransPark Broke With No Way to Retire Debt

Continued from Page 1

Spirit, established in 2005 as a spin-off of Boeing Commercial Airplanes, is the world's largest independent supplier of commercial airplane assemblies and components. Spirit sought business from Boeing and its main competitor, Europe-based Airbus.

In 2006, state Commerce Secretary Jim Fain led a recruitment team to court Spirit. Gov. Mike Easley and other state officials announced the Spirit project in May 2008. Spirit chose the GTP after winning a contract with Airbus to design and produce the composite fuselage structure for a new aircraft model, designated the A350XWB.

In April, Spirit will take possession of the nearly completed 500,000-square-foot manufacturing building on a 304-acre site adjacent to the 11,500-foot GTP runway.

The company plans to hire 250 employees the first year and expects to exceed 1,000 after six years. Average annual pay is expected to be \$48,000, or about \$21,000 more than the average salary in Lenoir County.

## GTP's 'anchor tenant'

GTP's Waddell refers to Spirit as the park's anchor tenant, as if it were similar to a Sears or Belk's department store at a shopping mall. She believes Spirit will attract other companies, allowing the GTP to generate enough revenue to pay back the loan.

Gov. Beverly Perdue shares similar thoughts with Waddell. "She believes that as the park becomes more successful in coming years, a pathway to repayment will emerge," spokeswoman Chrissy Pearson told *CJ*.

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 sub-



Golden LEAF granted \$100 million to the TransPark before Dan Gerlach took over as the foundation's president. Gerlach wonders how the TransPark will repay the nearly \$37 million it owes the state Escheats Fund. (CJ photo by Don Carrington)

dies in excess of \$200 million to attract the company. If Spirit hires 1,000 workers, the cost to taxpayers may exceed \$200,000 per job.

A major component of North Carolina's incentive package is an agreement for GTP to pay \$100 million toward Spirit's building. 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 not generate enough money to help GTP repay its debt. The TransPark obtained a \$100 million grant from the Golden LEAF Foundation to secure the Spirit project.

## Golden LEAF's role

The \$100 million grant from Golden LEAF (Long Term Economic Advancement Foundation) to the GTP Authority is the largest in the foundation's history.

Golden LEAF receives one half of

the funds from North Carolina's share of the multistate settlement with the nation's four largest cigarette makers.

In September 2008, the board appointed Dan Gerlach, a former budget adviser to Easley, as the foundation's president. Prior to joining the Golden LEAF staff, as a top aide to Easley, Gerlach was a member of the state's recruitment team that worked to land the Spirit project.

In an interview, Gerlach also said he didn't know how GTP plans to repay the nearly \$37 million owed to the state treasurer's office.

To date, including the grant to GTP, Golden LEAF has made more than 900 grants totaling over \$400 million.

The remaining half of the tobacco settlement money is divided equally between the Health and Wellness Trust Fund Commission, which spends its money on health programs, and the Tobacco Trust Fund Commission, which assists tobacco farmers and others in tobacco-related employment "displaced" by the declining use of tobacco.

## Escheat Fund

The GTP loan authorized by the General Assembly was 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 the result of someone dying without a will or any known heirs. It also includes any property or funds unclaimed or abandoned, including utility deposits or bank deposits. The current total value of the Escheat Fund is \$459 million.

The interest on the fund goes to the State Educational Assistance Authority to pay for grants, loans, and scholarships for North Carolina stu-

dents attending public universities and community colleges. In 2009, the treasurer's office reports that 88,000 students were receiving assistance from the program.

As of Jan. 31, the principal on the loan to GTP from the Escheat Fund is \$21,741,952 and the accumulated accrued interest is \$15,712,955, for a total of \$37,454,907.

The General Assembly passed legislation last year extending the due date to Oct. 1, 2011. The bill also required the GTP Authority to report "its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay the Escheat Fund" to the House and Senate Appropriations Subcommittees on Transportation on or before May 15 of this year.

## GTP facts

The General Assembly created the GTP Authority in 1991 as a state agency located within the N.C. Department of Transportation. A 1992 study commissioned by the state projected that the park could be responsible for more than 100,000 new jobs by 2010. More than \$140 million in public funds have been spent on the 2,400-acre GTP since the project was launched.

State officials envisioned the project as an air cargo airport surrounded by just-in-time manufacturing facilities, but the concept has failed to attract any just-in-time manufacturers. Spirit's finished components will be shipped by truck, rail, and then sea to the final assembly location in France.

State Transportation Secretary Gene Conti, appointed chairman of the GTP board by Perdue, was excited about the Spirit project. "The coming of Spirit to GTP is likely among the most important events in the business history of our state," he wrote in a commentary for *The Charlotte Observer*. "Now, the GTP can leave the long struggle for respectability behind," he said.

But the respectability Conti is counting on will not satisfy GTP's debts.

GTP's audited financial statement for the fiscal year ending June 30, 2008, provides some insight into the park's financial condition. The GTP had total operating revenues of \$1.2 million and expenses of \$4.5 million, for a net operating loss of \$3.3 million.

To continue operations, GTP relies on the General Assembly for a \$1.6 million annual grant and the postponement of payments to the treasurer's office.

In addition to the Escheat Fund loan, GTP also has outstanding loans of approximately \$3 million to the U.S. Department of Agriculture and almost \$2 million to private lenders. Waddell told *CJ* that dedicated lease revenues cover those loans.



The Golden LEAF Foundation, created to distribute funds from North Carolina's share of the multistate tobacco settlement, is headquartered in Rocky Mount. (CJ photo by Don Carrington)

# Scandals, History of Corruption to Sting Dems in '10?

Continued from Page 1

is doubly important because the ruling party will oversee redrawing the boundaries of legislative and congressional districts to reflect the 2010 census.

Midterm elections typically break in the minority party's favor, and the trend at the national level favors the GOP, lending credence to the notion that Republicans could shake things up at the state level, too.

"There are clear indicators that the tide is moving against Democrats," said N.C. State political science Professor Andrew Taylor. "Republicans are starting to raise a lot of money, starting to recruit good people."

Although Democrats easily walked into office in 2008, a deepening recession has caused their popularity to wane. Gov. Bev Perdue's approval rating stood at 30 percent in mid-February. Since his inauguration, President Obama's approval rating has dipped by 20 percentage points and his disapproval spiked by 30 percentage points.

Beyond a sagging economy and record unemployment, scandal might play a role in how voters cast their ballots. Top-level Democrats have found themselves the targets of state and federal probes into issues ranging from campaign finance to real estate deals. This year, Republicans hope the corruption rap will stick.

## Easley's shadow

Ask political analysts who tops their list of tainted public officials going into the midterm elections, and they'll say Mike Easley. The former two-term governor is the subject of wide-ranging state and federal investigations into shady pay-to-play schemes, backroom deals, and campaign finance violations.

As first reported by *Carolina Journal* in April 2006, Easley bought a choice lot in Cannonsgate, a coastal development at Bogue Sound, at a bargain price. Closing documents obtained by *The News & Observer* of Raleigh last year show that Easley got an additional 25 percent discount of \$137,000 at the closing in December 2005.

Easley accepted the deal while his administration allegedly expedited environmental permits for Cannonsgate developers. Ruffin Poole, Easley's ex-aide and go-to-guy, helped shepherd the permits through and gained significant personal benefits from doing so, according to a 51-count grand jury indictment in late January. Poole's criminal trial is tentatively set for April 26.

Investigators also are probing fundraising malfeasance by the former governor. After a weeklong hearing in October, the N.C. State Board



Former federal prosecutor Kieran Shanahan, a Republican, speaks to reporters about the January indictment of Mike Easley aide Ruffin Poole. (CJ photo by Don Carrington)

of Elections fined Easley's campaign \$100,000, partly for free flights Easley failed to disclose on campaign finance reports. The board also referred the case to local prosecutors.

McQueen Campbell, a Raleigh businessman and longtime Easley friend, provided many of the free flights. Easley twice appointed Campbell to the N.C. State University Board of Trustees, where he became chairman before resigning in 2009. Campbell played a role in helping Easley's wife, Mary, secure a \$170,000 per year job at the university.

Easley has yet to be charged, but an indictment could come as early as this spring. Former federal prosecutor Kieran Shanahan told reporters in late January that Poole's indictment "reeks of conspiracy," and that more is to come. "Clearly, the No. 1 target of this is the former governor," he said.

Perdue has tried to distance herself from her predecessor, not always successfully. In response to two complaints from Republican Party Chairman Tom Fetzter, the State Board of Elections recently opened an investigation into Perdue's campaign finances.

Perdue's campaign has admitted that she failed to report six flights from private aircraft owners between 2004 and 2006. The campaign valued the flights at \$2,177 in filings submitted Nov. 18 to the Board of Elections.

In August, Perdue's campaign reimbursed aircraft owners around \$18,000 for flights not reported during her 2008 gubernatorial bid. At press time, Perdue had disclosed 31 flights that had not been reported earlier.

Fetzter's complaint also noted that among Perdue's campaign donors were figures who were subpoenaed to testify at the election board's investigation of Easley. They include Lanny Wilson, who was referred to as the "Wilmington financier" in a 51-count

federal criminal indictment of Easley right-hand man Ruffin Poole; Nick Garrett, who completed an expensive renovation project on Easley's Southport home; and McQueen Campbell, who regularly provided flights to Easley that were not disclosed on campaign reports.

State Democrats also have filed a complaint about a previously unreported helicopter flight by former Charlotte Mayor Pat McCrory, a Republican, during his 2008 run for governor. McCrory amended his campaign report and paid for the flight in late February.

## Retirements feed challengers

Although Easley's troubles have dominated the news cycle, other top Democratic leaders have faced scandal-related criticism of their own. Worse for Democrats, several of their key leaders in the Senate have resigned or announced they won't run for re-election, creating competitive districts where few existed before.

State Sen. R.C. Soles, a Tabor City Democrat and the longest-serving legislator in the General Assembly, was indicted by a Columbus County grand jury in January for shooting one of his former legal clients. Soles has admitted to the shooting but said it was in self-defense. In late December, he announced that he wouldn't seek another term in the Senate.

Scandal also has touched another top member of the legislature — former Senate Majority Leader Tony Rand. The attorney general's office has opened a probe into state purchases from an electronic surveillance supplier with ties to Rand. The company's former president has accused Rand, who denies any wrongdoing, of insider trading.

As *CJ* reported in November, Rand also went in on a questionable re-

al-estate swap with Easley in the 1990s for a home on Bald Head Island, an exclusive coastal development south of Wilmington. Rand resigned from the Senate Dec. 31.

In total, 11 Democratic incumbents have either resigned or said they won't seek re-election to the General Assembly, including Sens. Julia Boseman of New Hanover County, David Hoyle of Gaston County, and Larry Shaw of Cumberland County.

The number of retirements could lead to a power shift in certain districts, said Peace College political science professor David McLennan. Even so, he doesn't see a tidal wave of change coming.

"The gerrymandered districts are to the point where voters look to their representatives and say they haven't been indicted and have done a good job, and they'll re-elect them despite problems with Democrats overall," McLennan said.

That scenario has played out in previous years. Although Republicans are hopeful this election cycle could be different, Democratic corruption hasn't translated into losses at the ballot box, even when scandals dominated the headlines.

In the 2006 election, Republicans hoped to capitalize on former House Speaker Jim Black's ethics woes that ultimately sent him to jail. Far from losing ground, though, Democrats rode a national wave of discontent with Republicans and expanded their majorities in the state House and Senate.

A similar story unfolded in the months leading up to the 2008 election. One of Black's top legislative allies, former Rep. Thomas Wright of Wilmington, was ousted from the General Assembly and convicted of fraud and obstruction of justice.

But Democrats didn't suffer at the polls in November, keeping control of the governor's office, ousting the Republican state auditor, and coming close to beating the Republican commissioner of labor. They also maintained comfortable control of the General Assembly.

That record of victories isn't surprising to Democratic strategist Brad Crone. He said the corruption rap doesn't translate into the lives of average voters more worried about jobs and the economy.

"The people inside the beltline get excited, but in Rockingham they don't know who Jim Black is, and they don't have a clue who Ruffin Poole is," Crone said. "They only know if their unemployment benefits are ending."

Taylor said voters' understanding of Democrats is beginning to change. As to a repeat of 1994, when Republicans achieved sweeping gains at the state and federal level, he said, "There's no doubt at this point in time that the Republicans will pick up seats. The question is how many." *CJ*

## Town and County

## CMUD misbilling

The Charlotte-Mecklenburg Utilities Department will assign additional people to review water usage. The move comes after increased public protests about too-high water bills, reports *The Charlotte Observer*.

The utilities department has fitted its water meters with transmitters to send usage data to specially equipped trucks as they drive through a neighborhood. CMUD calculates monthly water bills based upon this data. Using the transmitters saves money for the utility as compared with having someone manually read each individual meter.

The utility recently has faced a growing number of complaints from residents about high bills, possibly resulting from erroneous meter readings. CMUD has confirmed that about 60 percent of the approximately 250,000 transmitters in use are of an older variety that has a 6.4 percent chance of failing at some point. This creates the potential for misbilling.

To catch these, CMUD is adding a "second level" of people to review accounts for errors. CMUD's computer system now identifies about 50,000 accounts a month that possibly could have errors, though fewer than that are checked by CMUD staff.

## Oak Island wells

The town of Oak Island thinks it may have reached a compromise with state regulators to allow most residents to continue using irrigation wells after the town's new \$130 million wastewater system is completed. To do so, Oak Island must demonstrate that the new system will perform as well or better than the current system in protecting water resources, reports the *Wilmington Star-News*.

Town officials are confident they can demonstrate that.

"Our system as installed accomplishes that," said Mayor Betty Wallace on the requirement.

State regulations require that wells within 100 feet of sewer lines be either relocated or closed to protect municipal drinking water supplies.

The town has tried for several years to convince state regulators to make an exception for wells on Oak Island. It estimates that 66 wells would be affected by the regulation in the first portion of the system to open. *CJ*

## New Assessment Financing Stirring Ire

## New laws allow project costs to be distributed more widely among neighboring owners

By SARAH OKESON  
Contributor

MOORESVILLE

A Mooresville developer whose companies own land near Interstate 77 wants a bridge built over the highway that would improve public access to his properties, but which, under recently enacted state laws, would be paid for by area landowners.

The fees from nearby homeowners would repay bonds imposed through a special assessment district. New laws passed in 2008 and 2009 expanded special assessment financing, a method previously used to fund things such as sidewalks and curbs.

"That assessment would be on elderly residents," said Henry Brantley, whose family has owned land in the area since the 1700s. "The way the general statute is now every landowner in North Carolina runs the risk of getting into the same situation."

Mooresville officials said they never intended for homeowners to help pay for the bridge; they wanted only the owners of the 28 commercially zoned properties to finance the project. A majority of the landowners who control at least 66 percent of the property would have to agree to the assessment before it could go forward, and town officials say Mooresville probably would foot about a fourth of the cost.

"Most of our funding options are what I would call very traditional," said Tim Brown, the planning director for Mooresville. "To advance a common goal often takes working together. Some of these nontraditional funding methods can be the right method to advance development."

Mooresville, about 25 miles north of Charlotte, is home to many NASCAR racing teams and is known as "Race City USA."

Under the previous limited application, a city would install the improvements and receive payments from the landowners who benefited from them. The debt had to be repaid in 10 years, making the financing impractical for large, expensive projects.

Under the new laws, improvements now can be repaid for up to 30 years and can finance everything from parking facilities to traffic signals. Typically, all the property owners inside a district's boundaries pay an assessed fee. Such districts are established after the property owners who want the improvements petition the local government. The 2009 law was sponsored by state Sen. Fletcher Hartsell, R-Cabarrus.

"Many cities and counties were interested in both the '08 and '09 legislation since the general bond market had dried up," Hartsell told Brantley in an e-mail. He did not return phone calls or an e-mail from *Carolina Journal*. The bonds are often called "dirt bonds" because they are secured by land and are unrated.

"They are secured solely by the value of the property," said Eric Braun, a partner at K&L Gates in Raleigh. "It's like a mortgage except there's no ultimate liability on the part of the town. If the property owner doesn't pay, the town can

foreclose."

In other states, the bonds have been hammered by the recession. In Florida, community development districts issued \$6.5 billion in municipal bonds to pay for improvements like roads and utilities.

Richard Lehmann, a *Forbes* columnist who is an authority on municipal defaults, said about 120 of Florida's bond issuances are in default, and he expects about 70 more to default within the next year.

"The state was too liberal in giving bonding authority to municipalities," Lehmann said. "The system worked very well when times were good, but when the crunch came they found there was no real collateral and no pressure on the builder not to walk away from the project."

In North Carolina, the Local Government Commission oversees the finances of local government, including bonds that the counties and towns want to issue. The commission has not received any formal requests to approve issuing

special assessment district bonds, but it did look at a feasibility report about another Mooresville project, an \$800 million, 350-acre mixed-use development called Langtree on the Lake.

Maia Setzer, Mooresville's director of administration and finance, said the commission didn't deny the proposal formally, but found that the feasibility report did not justify moving forward with the project. Setzer said the project needed some type of credit

enhancement, such as a letter of credit from the developer saying it had additional financial backing.

David Parker, a partner in the Langtree at the Lake project, said the project has a \$25 million commitment letter from a backer he won't identify; he hopes the town will ask the Local Government Commission soon to approve the bonds. Opponents of the bridge over I-77 question whether the overpass is even needed. A study done by WSP Sells said the bridge would reduce delay along North Carolina Highway 150.

Automotive Collision Experts, a company headed by developer Steve McGlothlin — who wants the overpass — paid half of the \$85,500 cost of the feasibility study. Mooresville paid the other half. Automotive Collision Experts and another company tied to McGlothlin, Oates Ventures LLC, own about 54 acres on the east side of I-77 near Oates Road. McGlothlin did not return phone calls seeking comment for this story.

David Hartgen, an emeritus professor of transportation studies at the University of North Carolina at Charlotte, reviewed the feasibility study for *CJ* and said the bridge would not reduce congestion along Highway 150. "Nothing would happen if you built this road," Hartgen said. "Nothing would happen on 150. It looks to me like this is a proposed economic development plan that is hiding behind the smokescreen of traffic congestion reduction."

Neil Burke, the town's transportation planner, said the bridge is "kind of a multifaceted transportation improvement. ... This improvement was not an end-all, be-all for 150, but as east-west connectivity," he said.

Opponents also question why the map for what could be the special assessment district is drawn around the homes of Commissioner Chris Carney and Planning Board member Larry Stamm, meaning the local officials wouldn't pay an assessment fee if homeowners are assessed.

Burke, who drew the map, said the map does not depict the assessment district. "It's an area of influence," he said. "It's not necessarily who would get assessed." *CJ*



# Court: Subdivision Notice Isn't Always Required

By MICHAEL LOWREY  
Associate Editor

RALEIGH

How much notice do local governments have to provide nearby property owners about plans for new subdivisions? And does it matter if those property owners had blocked successfully an earlier rezoning proposal for the tract of land in question? The state's second-highest court concluded that government officials may not have to provide nearby residents with any notice at all.

Independence Capital Realty LLC owns an undeveloped 16-acre tract of land in east Charlotte next to the existing Coventry Woods and Cedars East subdivisions. The parcel was zoned as R-4 for single-family houses.

In July 2003, the company tried to have the tract rezoned to a higher density. The Coventry Woods Neighborhood Association opposed the rezoning.

In August 2004, the Charlotte City Council rejected Independence Capital's rezoning request.

That did not end the matter, however. On Feb. 14, 2005, Capital Realty sought preliminary approval from the Charlotte-Mecklenburg Planning Commission for a subdivision plan for the land. The proposal for a development to be called "Independence Woods" included a request for a "density bonus" allowing 72 single-family homes to be built, instead of the 58 houses typically allowed under R-4 zoning. Coventry Woods and Cedars East residents were not informed that a subdivision proposal had been filed.

On Dec. 13, 2006, the planning commission's staff gave preliminary approval to the subdivision plan. The city's subdivision ordinance requires only that the developer be notified of the staff's decision. A notice about the preliminary approval was posted on the planning commission's Web site on Jan. 5, 2007.

CWNA first became aware of Independence Capital's plans for Independence Woods in July 2007, well after the 10-day window to challenge the planning commission's staff decision had passed.

Its attempts to challenge the subdivision plan were rejected as untimely. Charlotte's Zoning Board of Adjustment also held that no hearing

was required before the preliminary approval was issued.

In March 2008, CWNA and a number of Coventry Woods and Cedars East residents sued the city of Charlotte, the planning commission, and Independence Capital to overturn the preliminary approval of the subdivision plan for Independence Woods with its denser, infill development.

After a Superior Court judge ruled against them, the homeowners and neighborhood associations brought the matter before the Court of Appeals.

On appeal, CWNA argued the process for staff approval of the subdivision plan was simply unfair, as it "wholly fails to afford aggrieved persons any notice of staff decisions, whereby such person could avail him or herself of such [appeal] rights."

This denial of notice, they contended, amounts to "a fundamental denial of due process," which is prohibited by both the 14th Amendment of the U.S. Constitution and Article I, Section 19 of the North Carolina Constitution.

For such a claim to succeed, the appeals court noted that a constitutionally protected property interest must exist. The N.C. Supreme Court, in a 1988 decision *Armstrong v. Armstrong*, explained that "[t]here is no such thing as a vested right in the continuation of an existing law."

Thus, if the claim by Coventry Woods and Cedars East residents simply is based upon the expectation that the status quo would continue, then they do not have a property interest sufficient to support a due process claim.

This is exactly what the Court of Appeals decided. It found that the plaintiffs were "essentially relying on a belief that they are entitled to freedom from the inconvenience that they believe would result in the event that Independence Capital was allowed to develop Independence Woods consistently with the approved preliminary plan."

Because the decision by the three-judge appeals panel was unanimous, the N.C. Supreme Court is not required to take the case if CWNA and the residents choose to appeal.

The case is *Coventry Woods v. City of Charlotte* (09-611). CJ



## COMMENTARY

### Local Government And Police Issues

The local news business is built on the occurrence of out-of-the-ordinary events. If everything runs well, if there are no unusual situations, then there is very little news.

In recent months, the police very much have been in the news in Charlotte, Durham, and Fayetteville. In all three cases, the public and press are interested in already-serious situations worsened by questionable police policies.

Marcus Jackson was a Charlotte-Mecklenburg police officer for less than a year. He's now in the Mecklenburg County jail awaiting trial for assaulting women sexually while on duty. The Charlotte Mecklenburg Police Department and Charlotte City Council, meanwhile, are doing their best to avoid discussing why Jackson was hired, and anything having to do with the two suspensions he drew in his short time on the force before he was arrested and subsequently fired.

The CMPD has admitted Jackson never should have been hired and has changed its hiring process.

Still, it's a story with legs, largely because local officials have created the perception that they're stonewalling. Police personnel records ordinarily are confidential. Local governments can release records that might bolster public confidence in the police department.

A majority of the Charlotte City Council isn't even interested in going into closed session to discuss such a move in Jackson's case, suggesting the council is quite content with the way he was supervised.

In Fayetteville, meanwhile, a serial rapist could be on the prowl. There have been seven cases reported of a masked man breaking into residences and attacking women since July. The police didn't inform the public of this danger until January, however.

It had been the Fayetteville Police Department's policy not to disclose the existence of reported rapes except through a public records request. If citizens looked at the department's Web site, they could track other crime in the city, but not rapes.

That has since changed, as

Fayetteville's mayor and city council rather bluntly told the FPD that it should release the same sort of basic information that other major police departments do in similar circumstances.

"Let's inform the public," the *Fayetteville Observer* quoted Mayor Pro Tem D.J. Haire as saying. "Let's make people aware."

The Durham Police Department repeatedly made news in 2009 by paying excessive overtime to the officer who oversaw its program, allowing police officers to work private security jobs. Officer Alesha Robinson-Taylor was

fired for claiming to have worked 79 hours a week. Deputy Chief B.J. Council was forced into retirement for signing off on most of the overtime payments.

The secondary-employment program that Robinson-Taylor oversaw had issues of its own, though these predated her arrival. Some after-hours security work

is more demanding than others.

Police officers typically prefer earning extra dollars on assignments that involve a low probability of making arrests. Directing traffic at a Sunday church service is a highly desired assignment; patrolling the parking lot at a club on a Saturday night, not so much. As a 63-page city audit report demonstrated, a great deal of favoritism was displayed in who got the easy jobs.

For local government officials, crime is not a glamorous topic. There aren't many ribbon-cutting ceremonies to attend. Elected officials don't get to hand out grants to well-meaning service organizations.

But unless police departments adopt and enforce coherent policies, they will create news. It may not be the kind of news that mayors, county commissioners, and city and county managers want to deal with.

And truth be told, it's not the sort of story that this journalist prefers to write about. CJ

Michael Lowrey is an associate editor of Carolina Journal.



MICHAEL LOWREY

## Local Innovation Bulletin Board

## Red Light Camera Backlash

Across the country, there's a growing backlash against red-light cameras. Last year, three states banned the devices, and other jurisdictions are considering banning or limiting them, reports *USA Today*.

There's long been a perception that red-light cameras are more a means of revenue collection for localities than a safety tool. That notion is spreading and spurred successful legislation in Maine, Mississippi, and Montana last year banning the devices.

Georgia didn't ban the cameras last year, but required stoplights equipped with the cameras to add a second to yellow lights. Jurisdictions using the cameras are frequently criticized for shortening the duration of yellow lights as a way to generate extra revenue from red-light runners.

In Dalton, Ga., the impact of the new legislation was immediate. In 2008, it issued 6,906 citations, including 624 in February. In February 2009, with an extra second of yellow-light time, the city issued only 125 tickets. It ended its red-light camera program at the end of the month.

"That sort of exposed the myth of why they're there," says Mayor David Pennington. "It goes against what I was told to begin with, which is that they are for safety."

Government officials in other areas are coming to a similar conclusion.

"They were sold to us in a different manner than what they're being used for," says Illinois Rep. Jack Franks, who originally supported the cameras. "The municipalities have put them in areas where they're just to make revenue."

### Well-paid bus drivers

John Nelson is the highest-paid government employee in Madison, Wisc. But he isn't the city's mayor — or its police chief, comptroller, or city manager. He's a bus driver, and he made \$159,258 last year, reports the *Wisconsin State Journal*. And Nelson isn't alone in making big bucks driving a city bus; six other Madison bus drivers also earned more than \$100,000 last year.

The reasons behind the high pay for Nelson and other senior bus drivers are provisions in the contract between the transit system, which is called Metro Transit, and the Teamsters.

Under the agreement, the drivers with the longest tenure not only

get the highest base pay but also earn the first shot at working overtime.

"These are very good employees who follow the rules that have been negotiated with the Teamsters," said Metro Transit general manager Chuck Kamp.

The opportunity exists for these drivers to earn substantial amounts of overtime pay in part because the contract also limits the number of part-time drivers that Metro Transit can employ — no more than 15 percent of the number of full-time drivers.

Part-timers are also allowed to drive only morning and afternoon school routes.

A state audit found the contract includes shift premiums for working evenings and Sundays, a practice that is uncommon in the industry.

The Teamsters' contract expired at the end of December and the two sides are negotiating a new deal.

### Washington housing costs

A new report by the Washington Policy Center details the costs that state and local governments impose on construction in the state. Such costs make a significant impact on the state's competitiveness.

The paper, by policy analyst Brandon Houskeeper, describes three broad types of government policies that affect construction costs: Building fees, such as impact fees; land use regulations, including the state's Growth Management Act; and general state and local taxes.

The impact of these policies varies by community. Government policies add as much as \$67,400, or 28 percent, to a single-family house in Olympia.

In Vancouver, the impact is estimated at \$54,000, or 25 percent of the cost of a typical house. In Spokane, it's on the order of 21 percent, or \$38,000.

Even the Washington chapter of the American Planning Association, a group that rarely plays up the cost of regulation, concedes that government red tape adds 17 percent to the cost of new housing construction in the state.

"As state and local officials continue to ignore or downplay their role in adding to the cost of construction in Washington, they will continue to put local communities and the state as a whole at a marked competitive disadvantage compared to the business climate in other states," notes Houskeeper. CJ

## Yadkin-Catawba Water Dispute Parties OK Transfer Agreement

By MICHAEL LOWREY  
Associate Editor

RALEIGH

The dispute over water rights between communities in the Yadkin and Catawba river basins is over. In late January, the two sides reached an agreement allowing Concord and Kannapolis eventually to draw as much as 10 million gallons a day from the Catawba River, reports the *Hickory Daily Record*.

The dispute began in 2006, when the state authorized the two Cabarrus County communities to draw as much as 26 million gallons a day. A number of Catawba River communities challenged the transfer, arguing that it would impact adversely their economic development.

The two sides eventually agreed to mediation. Under the deal, Concord and Kannapolis will be able to draw 3 million gallons a day through 2015. The amount would then rise to as much as 10 million gallons a day, with the exact limit depending upon a number of factors, including whether drought conditions exist.

"We'll do anything we feel necessary to make sure Concord and Kannapolis comply," said Hickory Mayor Rudy Wright.

The agreement does not end all wrangling over the issue. South Carolina has sued North Carolina over the transfer, arguing that it should have a say. The Catawba eventually flows into South Carolina, and the amount of water available from the river depends on how North Carolina communities use the water. The dispute between the two states is before the U.S. Supreme Court.

### G'boro annexation nixed

A Superior Court judge has overturned Greensboro's annexation of three McLeansville-area subdivisions. In his decision, Judge Edwin Wilson ruled that residents could not be held to annexation agreements signed by developers of the property, reports the *Greensboro News & Record*.

When the Whitehurst Village, Hartwood Village, and Laurel Park subdivisions originally were created from 1997 to 2000, developers asked Greensboro to provide water and sewer service. The city agreed, but on the condition that the developers petition the city to annex the neighborhoods voluntarily. The three subdivisions, which cover 151 acres and include about 285 houses, are surrounded by

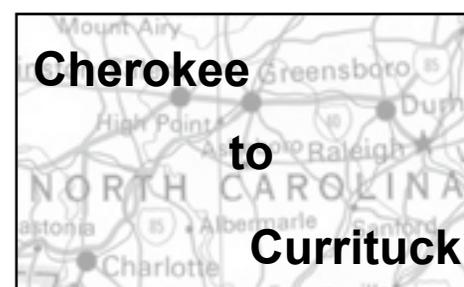
undeveloped land.

It was 2009, however, before Greensboro finally took in the three subdivisions. A number of residents challenged the annexation, contending that they had not been made aware of the pending annexation when they bought homes in the neighborhoods.

"We showed the court they [the agreements] didn't run with the land and the people who bought the land were not bound by them," the residents' attorney, James Eldridge, said.

Greensboro officials estimate that they spent \$450,000 providing services and making improvements in the subdivisions.

The city has decided to appeal Wilson's ruling.



### Durham CON sale?

Durham County may discontinue its home-nursing operation. The move could save the county a half-million dollars a year plus a windfall from the sale of its certificate of need, writes the *Durham Herald-Sun*.

The Durham County Health Department has operated its visiting nurse service since 1963. In recent years, the health department has struggled to attract enough nurses to staff the program. In early 2009, it stopped accepting referrals from doctors for new patients; since then, the number of clients it serves has fallen from 90 to 60.

It costs the health department about \$725,000 a year to offer the in-home nursing visits, with \$210,000 of the cost reimbursed by Medicaid and Medicare.

"The realities are we can't continue down this path," Health Director Gayle Harris told county commissioners. "Most health departments no longer provide home health service."

State regulations mean the county could receive a windfall by selling the service. North Carolina restricts the supply of certain medical services through regulations requiring a "certificate of need" to operate. The visiting nursing service has such a certificate, which it received through a grandfather clause because the service was operating when the state adopted the requirement.

The health department recently has received two unsolicited inquiries about selling the service. Similar sales by other counties have gone for as much as \$4 million.

Harris was optimistic that those currently using the service could find private alternatives. CJ

# Counties, Metros Buying Abortions With Local Taxpayer Funds

By DAVID N. BASS  
Associate Editor

Tempers flared in Wake County Feb. 15, when county commissioners met to consider nixing from their own health plan elective abortions, which are those deemed medically unnecessary. The meeting nearly deteriorated into a shouting match.

Commissioners delayed a vote that would have ratified an earlier decision by county administrators to limit the benefit plan to cover medically necessary abortions only. But the testiness of that meeting suggests that other communities may face heated discussions over a medical benefit state courts may have outlawed.

Publicly funded abortion has been a flash point at the national level, with pro-life lawmakers working to ensure Medicaid and federal health insurance reforms don't cover the controversial procedure. But many leaders and residents are surprised that state and local taxpayer dollars already flow to it.

The state's most populous urban centers — including the Triangle, Triad, and Charlotte-Mecklenburg area — cover abortions into the second trimester. Counties and municipalities in the west and east — such as Asheville, Wilmington, Buncombe County, and New Hanover County — also offer the benefits.

A handful of local governments already have buckled under pressure to remove elective abortion. House Minority Leader Paul "Skip" Stam, R-Wake, said the funding runs afoul of state law, and he's willing to go to court to prove it.

"Our position is that any city or county can stop doing it tomorrow. That's clear," Stam said. "Our further position is that not only may they, but they have to stop."

Insurance giants CIGNA HealthCare and Blue Cross and Blue Shield provide many of the plans, which typically offer other family planning services such as birth control and vasectomies.

Wake County has paid for about a dozen elec-

RALEIGH



Wake County Board of Commissioners Chairman Tony Gurley put the issue on the consent agenda for the Feb. 15 meeting.

tive abortions since 1999, but county administrators changed the health insurance plan in early February to cover abortions only in cases of rape, incest, or when the mother's life is endangered. Commissioners had a chance to ratify that decision at the Feb. 15 meeting, but opted to punt a final vote.

"In our case, we took the action because the research of the county attorney's office said that our current practice was not legal based on the 1981 case that spending public funds for this purpose was not legal," said County Manager David Cooke.

Commission Chairman Tony Gurley had added the item to the board's consent agenda, where routine and noncontroversial matters go. Liberal commissioners, however, began to

debate the item without first moving it to the regular agenda.

Gurley called for a vote on the entire consent agenda, which contained five other noncontroversial items. Passage failed on a 3-3 tie. But the issues, including elective abortion coverage, could be raised

at a future meeting. Until then, the county manager's decision apparently stands.

"The board could elect to include it [again], but they would be voting to do something that our county attorney has told us is illegal," Gurley said. "We would be going out on a limb."

Other local governments have taken up the issue. Town council members in Apex voted unanimously Jan. 19 to eliminate elective coverage. Cumberland County opted to do so administratively, with the change taking effect March 1. Guilford County hasn't paid for the procedure in years.

Similar changes could be in store for Mecklenburg County. Officials are reviewing their policy — which covers both elective and nonelective procedures — in light of Wake County's decision, says Mecklenburg County Commissioner Bill James.

Forsyth County Manager Dudley Watts is seeking legal advice on the situation and plans to consult with county commissioners as well, reports the *Winston-Salem Journal*.

Broader shifts are also in the works. A governing board of the N.C. League of Municipalities opted in early February to nix elective abortion coverage from the sample medical plans it offers to the 522 municipal governments in its membership.

The standard plan will cover the procedure only in cases of rape, incest, or when the mother's life is endangered, said Ellis Hankins, the league's executive director.

"Our board of trustees believes local governing bodies have local legislative discretion on this employee benefits issue, and they should determine it as they see fit. That's why they made the change," Hankins said.

Other local governments are less enthusiastic about tackling the controversy. Cary Mayor Harold Weinbrecht told *The Cary News* that abortion coverage shouldn't be addressed by a city council.

Stam disagrees. He says a state Supreme Court case from 1981 that he litigated offers "persuasive" evidence that property tax revenue can't be used to pay for elective abortions.

The case, *Stam v. State of North Carolina*, found that the General Assembly never gave counties the authority to pay for elective abortions with local tax dollars. *cy*

Local governments around the state must deal with coverage that violates law

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## Review

## Civil Rights Museum Open After Turbulent Beginning

By SAM A. HIEB  
Contributor

In 1990, I was present at the 30th anniversary re-enactment of the historic sit-ins that became a key part of the civil rights movement. It was a special moment because it was the last time the men known as the Greensboro Four — David Richmond, Ezell Blair (now Jibreel Khazan), Franklin McCain, and Joseph McNeil — appeared in public together. Richmond would die just a few weeks later.

It was also special because the downtown Woolworth's where they staged the sit-ins was still a dime store. To see the four men — older and grayer — walk into the store pretty much as it had been 30 years earlier and sit down at the same lunch counter truly was a touching sight.

I recently returned to the site of the sit-ins for the first time since witnessing the re-enactment, except it's not a Woolworth's any more. The store closed soon after and remained closed until last month, when the International Civil Rights Center and Museum opened just in time to celebrate the 50th anniversary of the sit-ins.

I was eager to tour the museum, mostly because it has been surrounded by controversy during the 17 years it took to complete. The museum's founders — Guilford County Commissioner Skip Alston and state Rep. Earl Jones, a former Greensboro City Council member — have been polarizing figures on the local political scene for years. After both the city and the county provided financial support for the museum, questions about the handling of those finances constantly were being raised, with Greensboro citizens ultimately expressing their dissatisfaction with Alston and Jones by twice voting down bond referendums providing additional funding.

In fact, Alston was the center of controversy right before the museum's opening when it was revealed that he brokered a property deal for an ownership group hoping to build a federally subsidized 200-room luxury hotel across the street from the museum. When members of the Greensboro City Council questioned the hotel project, Alston reportedly threatened a recall movement before apologizing.

But I entered the museum with an open mind, sincerely hoping it would live up to expectations. Museum staff was very courteous, and guided tours took place every hour, although unguided tours will be available later on. The artifacts are minimal, and most of the tour relies on photographs and film footage. The lunch counter is still there, although the tour guide was careful to point out that the stools and the section of counter where the four men took their historic seats are now in their rightful place in the Smithsonian Institution.

The tour is roughly in the form of a timeline, walking visitors through various phases of the civil rights move-

ment. At the start, visitors descend down an escalator into a dark gallery portraying graphic images of violence against African-Americans, the most disturbing of which is the open casket of Emmitt Till, the 14-year-old African-American boy who was lynched brutally and murdered in Mississippi in the mid-1950s, allegedly for whistling at a white woman.

These events no doubt prompted the Greensboro Four to plot their historic action, and with that in mind, visitors enter an auditorium where they are shown a 20-minute re-enactment of the students planning the sit-ins. After the movie, the guide lifted the screen to reveal a replica of the students' dorm room at North Carolina A&T State University.

Visitors then climb the stairs to the lunch counter, where they watch another video re-enactment depicting the scene inside Woolworth's. From there, visitors wind

through a gallery filled with photos and artifacts putting the civil rights museum in perspective. Replicas of "colored only" water fountains and the colored entrance to the Greensboro train depot show how blacks were treated as second-class citizens.

Again, the artifacts are minimal. On display are the briefcase of J. Kenneth Lee, an African-American banker who handed out some of the first mortgage loans to blacks, the medical bag of Dr. George Evans, a

Greensboro doctor who treated patients at L. Richardson Hospital, the city's African-American hospital, and a 1950s-era organ to represent black churches' role in the civil rights movement.

Stronger exhibits feature photographs and newsreel footage from historic civil rights moments, including the Montgomery bus boycott, the march across the Pettis Bridge from Selma to Montgomery, the March on Washington (where Martin Luther King Jr. gave his "I Have a Dream" speech), and the Freedom Summer, when hundreds of white students went to Mississippi to help register black voters.

An entire wall is covered with the mug shots of those arrested while fighting for civil rights in the South, and it's most interesting to read the brief profiles of the courageous people who put their own freedom on the line in helping ensure the freedom of others.

The tour takes about an hour, a good 20 minutes of which is watching video re-enactments. The museum is affiliated with the Smithsonian, which (one hopes) will mean some quality revolving exhibits through the years. Surely the museum also will be the focal point for many history and civil-rights-related events. It certainly also will play a huge role in the continued revitalization of downtown Greensboro.

Admittedly, I was one of the many skeptics who questioned whether the museum ever would actually open. Now that it has, I'm glad, though it has some work to do to become everything it was meant to be. CJ



The Web page of the International Civil Rights Center & Museum in Greensboro is at [www.sitinmovement.org](http://www.sitinmovement.org).

# N.C. History Project Works to Prevent Decay of Studies Into Past

While many Americans are forgetting who they are and the state Department of Public Instruction has suggested excluding pre-1877 U.S. history courses from North Carolina high schools, the North Carolina History Project continues providing resources for North Carolinians interested in all historical eras. (Although DPI has unofficially taken its suggestion off the table, such a move remains possible.)



**TROY KICKLER**

During the past month, DPI has received approximately 7,000 e-mails from ordinary North Carolinians and letters from numerous professors and politicians (of all political persuasions) concerning its proposed curriculum changes.

I was skeptical DPI would even consider what North Carolinians wanted. It seems that the people's voice has been heard — at least somewhat and at least for now.

Reacting to the feedback, DPI

has suggested a second approach: 1) dividing U.S. history into two mandatory high school classes, and 2) requiring a course in U.S. history since 1877 while allowing local districts to decide whether to require a pre-1877 course. (I'm still amazed that Raleigh bureaucrats have the power to "allow" communities and families from the mountains to the coast to determine what their children should learn.)

Today, far too many devalue tradition and erroneously believe that newer and novel are always better. Likewise, many believe that the past half-century is more important than our nation's early years.

It is true that many events, such as the Civil Rights Movement and the 9/11 attacks, are worthy of historical study because they influence our lives today. But knowledge — or lack of it — of the Revolutionary War, the constitutional ratification debates, the War of 1812, Confederate secession, and Reconstruction (to name only five examples) informs our reactions to and interpretations of recent events. Contemporary history can't stand alone.

Disconnecting the past half-century from the nation's first 100 years and its colonial beginnings is like

a person continuously living in the moment. Bad decisions, or at least not the best ones, are made. It's also like removing a house's foundation. One will indeed have wood, brick, and mortar afterward, but it will become rubble and memories of what was, not a house.

Likewise, if an in-depth study of pre-1877 United States is removed from our high school classrooms, we will one day be an America in name only.

There will be a nation, to be sure, but it will not be the one based on law and order and checks on power that evolved from an understanding of thousands of years of history dating from the ancient Hebrews to the Glorious Revolution in England. There will be only memories of what was.

The North Carolina History Project works to prevent further decay and to eventually help restore an understanding of our state's (and nation's) past — one that includes the nation's leading constitutional scholars and widespread examples showing how the private sector has solved many societal problems.

Also, encyclopedia entries on [northcarolinahistory.org](http://northcarolinahistory.org) record the history of the ratification debates;

political parties; Tar Heel founding fathers, including James Iredell Sr. and Willie Jones; the Conservative Manifesto of 1937; and various businesses and entrepreneurial adventures, including the histories of Food Lion, Texas Pete, Barringer Gold Mine, and Plank Roads.

NCHP has hosted lectures featuring Wilfred McClay discussing patriotism and Gordon Wood relaying the importance of various Founders. At various venues, NCHP has brought history to life: Actors have portrayed Thomas Jefferson, John Adams, George Washington, Ulysses S. Grant, and Robert E. Lee.

Whatever DPI decides concerning the U.S. history curriculum, the North Carolina History Project will continue exploring a neglected yet essential part of our nation's past.

As philosopher Soren Kierkegaard remarked, "We live forward, but we can only think backward."

We don't know the future, and the present lasts only a second before it becomes history. History is all we truly know.

CJ

*Dr. Troy Kickler is director of the North Carolina History Project ([www.northcarolinahistory.org](http://www.northcarolinahistory.org)).*

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



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## Short Takes on Culture

## 'Moon' Disdains Free Market

• "Moon"  
Directed by Duncan Jones  
Sony Pictures Classics

Last summer's movie "Moon" leaves the viewer with a conflicted feeling at the end. The film is a mind-bender based on a man's experience during a three-year stint at a mining operation on the moon.

Like most liberal Hollywood movies, it's based on a disdain for the providence God granted man over the Earth. That disdain is masked at the beginning when the movie celebrates man's ability to mine the moon for our energy needs.

But the movie's conclusion reveals the moviemaker's true feelings toward large corporations. Without revealing the plot twist, the movie's conclusion frames the corporation as an oppressive regime enslaving its employees.

However, the movie overcomes the typical anti-Americanism in popular culture. The main character, Sam Bell, overcomes the corporation's regime. "Moon" ends giving the viewer a confidence in the human spirit.

Right now, this country is facing serious threats to its freedom. So it's good to remember that our God-given spirit always will overcome oppression. Much like Bell, it will take courage, commitment, and creativity to keep our country on top of the world.

— ANTHONY GRECO

• *That First Season: How Vince Lombardi Took the Worst Team in the NFL and Set It on the Path to Glory*  
John Eisenberg  
Houghton Mifflin

Hey football fans — if March Madness isn't getting it, there are plenty of good gridiron books out there to keep you entertained between now and the NFL draft. One of those books is John Eisenberg's *That First Season*.

Hard to believe today, but the Green Bay Packers, after much success in the early days of pro football, were a dysfunctional franchise in the 1950s, the remaining small-market team in a league that had established itself in larger markets such as New York and Los Angeles as the game's popularity continued to grow.

The Packers were a skinflint organization that held practices on local high school fields and stayed in cheap hotels while playing on the road. This small-time mentality was reflected on the field: the Packers,

despite having budding superstars Paul Hornung and Bart Starr, were an undisciplined, out-of-shape team who simply laid down for their opponents.

The Packers were coming off a one-win season when the ownership group brought in Vince Lombardi, an obscure assistant with the powerhouse New York Giants. Lombardi immediately instilled discipline, fitness, and a professional attitude.

Though the Packers struggled in that 1959 season, the improvement was noticeable, giving the team's hard-core faithful a taste of the greatness to come.

— SAM HIEB

• *Atlas Shrugged*  
Ayn Rand  
Plume

If author and philosopher Ayn Rand were still alive, she likely would be shocked that her novel, *Atlas Shrugged*, would sell more than 400,000 copies 52 years after it was published.

Like most English majors, I read portions of Rand's works simply because, as an influential American writer and a woman, she could not be ignored. I remember reading John Galt's 69-page speech. Unfortunately, reading only this small portion of the novel cheats the reader because they miss the full impact of a well-written novel full of mystery and intrigue.

What's caused resurgence in the popularity of this novel? The answer is simple. Americans increasingly are concerned about the expanding role of government and the bureaucrats who are making decisions that impact their lives.

In her novel, Rand shows exactly what happens when government overregulates industry and people's lives. She also shows the ugly side of the moneyed elitists. They express guilt over their wealth and compassion for the poor working class, but it becomes clear that it is empty rhetoric.

The story takes a unique twist: Tired of government involvement that prevents the free market and entrepreneurs from succeeding, business owners walk away from their enterprises, taking their ideas with them, and a country collapses.

Rand has written a timeless novel that illustrates what happens when liberal ideas permeate government. Unfortunately, it is still a must-read for today.

— MELISSA MITCHELL CJ

## Book review

## History of Key N.C. Battle 'Excellent'

• Lawrence E. Babits and Joshua B. Howard, *Long, Obstinate, and Bloody: The Battle of Guilford Courthouse*, Chapel Hill: The University of North Carolina Press, 2009, 300 pages, \$30.00.

BY GEORGE STEPHENS  
Contributor

Victories in the South concluded the American Revolution, but they are rarely acknowledged by historians. Lawrence Babits and Joshua Howard do not follow that narrative, and their accurate and readable history of this seminal battle offers a significant service to readers.

In a typical American history, British Gen. Charles Cornwallis skirmishes through the South and then goes to Yorktown, where George Washington takes his surrender. Actually, he already had been defeated in three of the bloodiest battles of the Revolution.

The real history is that, stalemated at New York, in 1780 British commander Sir Henry Clinton sent a strong force by sea under Cornwallis to land at Charleston and drive northward through the Carolinas and Virginia to link with his army at New York for final victory. Cornwallis sent a fourth of his army along the foothills of the Blue Ridge under the command of Maj. Patrick Ferguson, who issued an ultimatum to the mountain people to surrender or he would burn their farms and hang their leaders. These patriots, "Whigs," from western North Carolina and western Virginia militias, were experienced Indian fighters, crack shots with their long rifles. They pursued Ferguson for 200 miles, caught him at Kings Mountain, killed him, and killed or captured his Tory troops in an hour-long battle on Oct. 7, 1780. This was the Revolution's turning point, because it showed that the British could be beaten, drying up British recruiting.

On Jan. 17, 1781, at Cowpens, a combination of Continental line troops and militiamen under Gen. Daniel Morgan defeated a British force commanded by cavalry Col. Banastre "Bloody Ban" Tarleton. Another quarter of Cornwallis' army was killed or captured through brilliant tactics and bravery.

To seize the advantage, Washington sent Gen. Nathaniel Greene, hero of Saratoga, to command American troops in the South. The new com-

mander's strategy was to exhaust Cornwallis' army by heading for the Dan River in Virginia, staying just out of reach. The British army had to forage for food in areas already picked clean by the Americans. Greene then zigzagged through piedmont North Carolina.

The American general met Cornwallis in battle at Guilford Courthouse (the site lies in modern Greensboro). Previous accounts of the battle were sketchy and inaccurate, so Babits and Howard did painstaking research from pension documents, personal accounts, and muster rolls. The authors give a thorough description of the battle. The positions of the units on the field as time progressed are noted and related to each other. There are statements by the officers and soldiers, and informed speculation about what the soldiers could see and how they reacted.

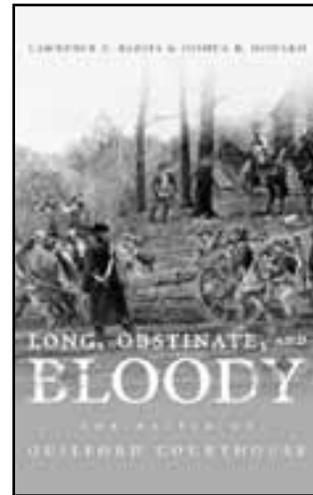
Recent histories have claimed that Cornwallis was said to have had his artillery fire into a melee of Americans and British to break it up and save his army. The authors note that the uncorroborated story came from an officer who was far from the location and conclude that it did not happen.

After 2 ½ hours of bloody fighting, the Americans withdrew from the field in good order. The British technically were victorious, but British Gen. William Phillips later said it was "that sort of victory which ruins an army." Cornwallis departed for Wilmington and finally Yorktown to reprovision and wait for relief. Instead, Washington came south and finished off his army, a fraction of the one that had sailed from New York.

Babits and Howard also describe the subsequent lives and careers of the principal officers on both sides. For example, Cornwallis became governor-general of India; Tarleton was the only British officer not invited to dine with the Americans after the surrender at Yorktown; Greene had heavy debts from his guarantee for a military contractor so that the contractor could supply his army, but South Carolina and Georgia awarded him large tracts of land, some of which he sold to repay them; Henry "Light Horse Harry" Lee fathered Civil War General Robert E. Lee.

These are fragments of four of the life stories rounding out this excellent history.

CJ



# 1938 Argues that Leader of 'Master Race' Had no Master Plan

• Giles MacDonogh, *1938: Hitler's Gamble*, New York: Basic Books, 2009, 324 pages, \$27.50.

BY HAL YOUNG  
Contributor

RALEIGH

Probably no historical figure personifies "evil genius" more than Adolf Hitler. As an orator he could beguile or terrorize with words alone, and starting from scratch he built the machinery that turned his will into power and made a disarmed and defeated nation the masters of Europe. Few world leaders saw it coming.

In *1938: Hitler's Gamble*, Giles MacDonogh argues that may have been because Hitler himself was working from a broad outline. Instead of a diabolical master plan, Hitler's ascent may have been the result of brilliant opportunism.

This is the year when Hitler annexed Austria and carved up Czechoslovakia, started the expulsion and internment of Jews, and began to show his hand to the rest of Europe. It was probably the high point of Hitler's political game, as he consolidated power to himself and successfully called the diplomatic turn of dozens of nations surrounding him. Unlike other leaders, or indeed his own General Staff, Hitler realized that thousands of French troops on his western border were meaningless if France lacked the will to mobilize them — and correctly predicted it would not.

Like the history of the Southern Confederacy, the rise and fall of Nazi Germany is dominated by the war it fought and the inhumanities it sought to preserve. MacDonogh opens an interesting window into the economic side of National Socialism, though, and the effects of massive rearmament

coupled with inept fiscal policy.

Before he commanded the Luftwaffe, Hermann Goering was the chief financial officer of the Reich, and he was an ardent supporter of territorial acquisitions in proportion to their wealth. Austria, for example, contained not only large foreign currency reserves but also rich iron deposits, and both could feed the German arms machinery. Czechoslovakia possessed extensive heavy manufacturing facilities. As it happened, Germany remained on the brink of bankruptcy during the whole period and quickly dissipated any new gains.

The digestion of Austria by the Reich was a classic illustration of unintended consequences as well. While Adolf Eichmann proposed and acted to evict the Jews from Austria as quickly as possible, Goering threw up confiscatory taxes and fees to plunder them on their way out, delaying or preventing their departure. Anti-Semitic policies boomeranged on the populace; confiscation of rich Jews' homes put their large household staffs out of work, and the edict forbidding Jews to practice medicine eliminated half the nation's doctors.

As a people, the Austrians get very bad press from MacDonogh. In an afterword, he relates that his maternal grandparents were Viennese Jews who were dispossessed by the coming of the Nazis. While he doesn't introduce his relatives into the narrative of the book, the Austria he portrays is not

alive with the sound of music, but of breaking glass.

Rodgers and Hammerstein do not reflect the facts that Austria already had a semifascist government, a concentration camp for dissidents, and a population that looted their Jewish neighbors so quickly after the Anschluss that advancing German troops found the spoils disappointingly slim.

It was not a bright period for the rest of Europe, either. This was the year of Neville Chamberlain's greatest blunders in both Austria and Czechoslovakia, with the latter nation thought by the Foreign Office as "not worth the bones of a single Grenadier." France still reeled from its losses in the previous war, its government vacillating and transitory while its large army sat paralyzed on the German flank.

To some extent, every nation held its doors against Jewish refugees, including Switzerland, Britain, and the United States. Others such as Poland, Romania, and Hungary took Germany's cue and began pushing their own Jewish population toward any border that remained porous. Heroic individuals stand out, such as Church of England officials in Austria who baptized hundreds of Jewish "converts" to enable them to pass immigration barriers, but the governments behind them failed to counter Hitler's advance in any meaningful way.

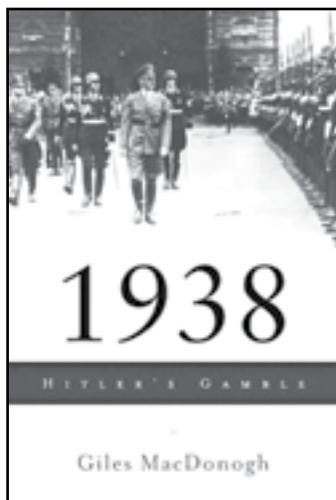
Could Hitler have been stopped

by 1938 anyway, had the will been present? MacDonogh suggests several occasions when he may have been turned aside or overthrown. Had Britain and France honored their commitments to Czechoslovakia, or shown more opposition to Hitler's aggression toward Austria, the dictator may have paused for diplomatic reasons. The General Staff strongly opposed both incursions, fearing the response of the French divisions and their own forces' inadequacies; had France made a move of any significance, the Germans may have retreated to reinforce their own frontiers.

In fact, some of the central figures in the failed 1944 assassination attempt were already forming their conspiracy in 1938. Hitler was no more a Junker of the Prussian elite than he was a blond Aryan, and his disgraceful treatment of two generals fueled resentment at high levels in the army's command. MacDonogh points out several times when a diplomatic check to Hitler's adventures would have activated a military plot to arrest or kill the dictator.

This is a difficult book to read. MacDonogh's descriptions of street brutality against Jews and the political thuggery practiced by Hitler and his lieutenants are chilling. The shameful inaction, and sometimes shameful action, of the Western powers can produce guilt feelings and our own question of conscience: Though the Holocaust memorials say, "Nie wieder," never again, do we have the political and diplomatic — or military — will to halt such a monstrosity today?

Successful regime change in Iraq leaves the question unanswered in southwest Asia and the Pacific Rim; only the future will know if we are living through our own generation's 1938. CJ



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By John Hood  
President of the  
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## COMMENTARY

## Hey, Let The Dogs In

North Carolina could soon replay the smoking ban debate — but this time targeting dog owners. The state's Commission for Public Health has proposed a rule that would, as written, prohibit dog owners from bringing their canine friends to restaurants. The ban would include even outdoor dining areas.

The agency has explained that the goal isn't to ban dogs in outdoor areas. Unfortunately, this is exactly what the rule would do.

The state shouldn't prohibit dog owners from bringing their dogs to indoor or outdoor dining areas.

This issue isn't about the rights of dog owners (or dogs), just like the smoking ban wasn't about the rights of smokers. This is a property rights issue.

Restaurant owners should have the right to decide for themselves whether they want to allow dogs in their restaurants. The fact that property is open to the public doesn't change the fact that a restaurant is someone's private property.

Smoking ban proponents argued that health "rights" were in conflict with property rights — I imagine this same fallacious argument will be made to defend a dog ban. Just as with smoking, customers are fully capable

of deciding for themselves whether they want to dine at a restaurant where dogs are welcomed.

Dog ban proponents actually want to create a new right. They want a right to go to any restaurant they want without ever having to deal with dogs. They want their personal preferences, enforced through the power of government, to take precedence over property rights and the preferences of others.

Smoking ban proponents argued that a smoking ban was no different than having a health inspector regulate a restaurant's sanitation. But banning dogs isn't the same as requiring health inspections to investigate the unknown health and safety conditions of

a restaurant. Customers can see for themselves whether dogs are allowed at restaurants and choose whether they want canines around.

Numerous individuals probably supported the smoking ban and now oppose a dog ban. However, one can't have it both ways. I wrote the following during the smoking ban debate: "Smoking ban proponents may cheer on passage of H.B. 2 [the smoking ban bill], but under the legislative precedent they wish to set, they could soon find some of their own actions subject to prohibition."



**DAREN  
BAKST**

That is exactly what is happening with a dog ban. Those who oppose a dog ban but wanted a smoking ban show the same disrespect for property rights and personal choice used against them when it comes to bringing dogs to restaurants. To be fair, there may be smoking ban opponents who want a dog ban. This also would be inconsistent.

We're entering a situation in which the populace identifies things it doesn't like and then urges the government to ban them, regardless of rights or individual responsibility. Yesterday, we were talking about a smoking ban. Today, we're talking about a dog ban. Tomorrow, we may be discussing a sugar ban.

A dog ban also reflects a belief that restaurants won't act in their own best interests. If a restaurant's patrons don't want to be around dogs, then the restaurant will prohibit dogs from entering the establishment. It doesn't require the government to force them to ban dogs.

The Commission for Public Health needs to let restaurants decide whether to allow dogs in their indoor or outdoor dining areas. I'd think that dogs would really appreciate it. I know that anyone who respects property rights and freedom will, too. *CJ*

*Daren Bakst is director of legal and regulatory studies at the John Locke Foundation.*



## EDITORIAL

## The Pitfall Of Ethics Policing

With the corruption trial of Gov. Mike Easley's former right-hand man Ruffin Poole set for April 26, it's no surprise that ethics in government has a newfound prominence in political discussions.

Everybody cheers clean politics and pooh-poohs graft. Is anyone really against honesty and in favor of corruption — unless you're on the take? (And then, would you admit it publicly?)

That said, when this year's short session of the General Assembly isn't scrambling to balance the state budget, it will spend much of its time dreaming up new legislation compelling politicians and other public officials to maintain pure hearts and spotless records.

Among the measures ripe for consideration is a ban on campaign contributions from state contractors to government officials involved in approving contracts and a six-month cooling-off period preventing executive branch employees from immediately taking jobs as lobbyists or working for the companies they regulated.

These proposals might be worthwhile. But there are two major problems with any deadline-driven crusade for clean politics: Corruption is already illegal and is being prosecuted. And sweeping moves to impose virtue on the political class could cause collateral damage to our basic freedoms.

Former House Speaker Jim Black, former U.S. Rep. Frank Ballance, former state Agriculture Commissioner Meg Scott Phipps, former state Rep. Thomas Wright, former lottery board member Kevin Geddings, and ethanol conspirators Boyce

Hudson, David Lee Brady, and James Albert Perry Jr. are in (or on their way to) prison. They were convicted of (or pleaded guilty to) violating anti-corruption laws that are now on the books.

Existing laws provide ample opportunity to make crooked officials pay for abusing the public trust.

Moreover, any heavy-handed attempt to inoculate the public from corruption is likely to have serious, unintended side effects, harming innocents in the process.

Consider a couple of recent examples from Colorado. Amendment 41, passed in 2006, imposed the nation's toughest ban on gifts to elected officials and public employees. The amendment was written so broadly that the attorney general ruled it would bar University of Colorado researchers from taking Nobel Prize money and the children of state employees from accepting scholarships.

Next, 2008's Amendment 54, currently tied up in court, prohibits holders of "sole source" state government contracts from making campaign contributions in any state and local political race — including races for offices that aren't connected to the contracts. The ban covers contractors and their extended families, and candidates who accept contributions from contractors and their relatives can be considered lawbreakers, too.

Talk about suppressing political speech.

North Carolina isn't likely to go on the sort of mindless good-government binge Colorado has embraced. But members of the General Assembly surely will promote some goofy ideas this spring. Watch them closely. *CJ*

## EDITORIALS

## Debt and the Voters

*Public officials go around citizens with COPs*

There are plenty of reasons for North Carolinians to be worried and angry about fiscal management by their government. State and local officials have failed to set firm budget priorities, while raising taxes during recessions. And skyrocketing state indebtedness is consuming tax money that might otherwise have been used to balance the budget, cut taxes, or fund core services.

All of these objections are valid. But public officials repeatedly have violated the fiscal-policy provisions of the state constitution and should be held to account.

The most egregious violation? Government borrowing without securing the permission of voters in a referendum.

In general, Article V, Sections 3 and 4 of the North Carolina Constitution require that any state or local borrowing that would pledge taxes to retire the debt must be subjected to voter approval.

But in recent years, both state and local governments have issued certificates of participation to fund the construction of prisons, schools, and other facilities. COPs are not subject to voter approval, which is why politicians like them.

Holding a referendum takes some time and expense. More importantly, holding a referendum means that you have to accept the possibility

that voters will say no.

It's best just not to ask the peons in the first place.

The use of COPs and other non-voter-approved debt is no minor occurrence. According to the 2010 Debt Affordability Study recently released by the office of State Treasurer Janet Cowell, nearly one-third of the state's total debt will be in the non-voter-approved category by 2011. That's higher than the 30-percent mark that bond-rating agencies prefer for states to maintain a triple-A credit rating.

North Carolina politicians argue that COPs aren't subject to the state constitution's referendum requirement because they don't pledge the taxing power of the government.

Technically, investors who buy COPs are buying the right to share in the revenues to be derived from the buildings being financed. Technically, the investors can repossess their share of the buildings in question if the revenues don't materialize.

Technically, this is what a layman would call male-bovine excrement.

In reality, investors who buy COPs are lending money to the state in return for receiving future tax revenue.

As long as North Carolina politicians are never held to account for their misuse of the power to borrow, they'll keep doing it. *CJ*

## It's Tough All Around

*Finally, higher ed not getting special treatment*

In recent weeks, several stories have chronicled the effects of the recession on the state's university and community college systems. News of declining university endowments, a steep drop in annual giving, and operating losses at UNC-Chapel Hill, N.C. State, and UNC-Wilmington have officials looking for ways to economize.

In the community college system, managers are in effect turning away some of the unprecedented number of students arriving on their campuses, because the schools lack the instructors, materials, and space to accommodate them.

Anyone who has followed North Carolina politics for any length of time has heard a lot of poor-mouthing from university leaders and their allies in politics, business, and the media. It is often said that the UNC system is the most important driver of the state's economy, and that without additional

tax dollars students will fail to graduate and businesses will fail to acquire the human and scientific capital necessary to prosper.

In reality, there's never been much in the way of empirical data to support such assertions. But that doesn't mean they haven't, for the most part, persuaded their intended audiences. North Carolina continues to be one of the most generous state funders of higher education in the United States. Even after recent tuition hikes, students at North Carolina's state colleges and universities fund very little of the cost of their own educations.

What's telling, then, is that in the midst of this Great Recession, the usual defenses of UNC largesse seem to be falling on deaf ears. It's tough out there. It's tough on everyone. What's different is that higher education isn't being treated differently this time. *CJ*

## COMMENTARY

## Some Thoughts From the 'Worst Person in the World'

I was tucking my sons in bed a few weeks ago when MSNBC commentator Keith Olbermann named me as one of the worst people in the world.

When a left-wing friend later informed me of the honor, I admit to being a bit underwhelmed. Since Olbermann hands out the honorific frequently, it was only a matter of time before he got to me. Plus, I've seen MSNBC's ratings, so I figured it was statistically unlikely that I'd meet very many people who actually had watched the show.

So I just went to bed.

It's pretty silly to ascribe made-up beliefs and attitudes to individuals who write and speak for a living. In my case, there are literally tens of thousands of columns, blog posts, audio files, and TV snippets freely available to anyone who might wonder what I think. It should be pretty obvious by now.

But I'll offer the following as a handy timesaver:

I hold it to be self-evident that all that persons are created equal; that they are endowed by their Creator with certain inalienable rights; and that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness.

Sound familiar? It should. This is a direct quote of Article 1, Section 1 of the North Carolina Constitution. With a couple of small differences, the passage also appears near the beginning of America's founding document, the Declaration of Independence. That language was, in turn, lifted with just a few other alterations from a famous passage in *Two Treatises of Government* by, as it happens, an English chap named John Locke.

Many have heard these words so often that they've become a catechism. Let's look at each phrase in more detail.

To say we are all created equal is not to say that we are indistin-

guishable. We differ widely in size, shape, hue, talents, and culinary preferences. Left to our own devices, we won't all develop the same interests, earn the same wages, rear identical children, or adopt the same beliefs.

What the phrase really means is that, whatever our differences of status or wealth, we all enjoy equal rights under the law.

And what are those rights? They include the right to own ourselves and our decisions (life & liberty), to acquire property by mixing our labor with natural resources (the fruits of our labors), and to acquire property by voluntary exchange with other people (the pursuit of happiness).

To say I have the right to pursue happiness is not, of course, to say

that I have a right to force you to make me happy. I don't have a right to force you to give me food, clothing, shelter, or health care. I can ask. I can offer something you value in exchange. When the Left tries to misuse the concept of rights to justify theft via welfare and income-transfer programs, I snort.

I take a dim view of politicians who think their job extends beyond carrying out the few core constitutional duties of government. I also take a dim view of people who won't mind their own business, in all senses of the terms. And I take a dim view of anyone

who thinks that personal freedom doesn't come with personal responsibility, and that it is the job of government to force taxpayers to bail out profligate households or businesses.

If that makes me one of the worst people in the world in the eyes of a few deluded nincompoops, fine. I'll just wish them a speedy recovery and go play with my kids. *CJ*

*John Hood is president of the John Locke Foundation.*



**JOHN HOOD**

I don't have the right to force you to give me food, clothing, shelter, or health care

## EDITORIAL BRIEFS

The Cruelty  
Of Compassion

A goal shared by virtually all European governments is social cohesion, a desire to reduce inequality as a means of limiting social conflict. Such policies, though, have become a self-defeating excuse to avoid reform, argues *The Economist*.

These policies exhibit two worrisome trends. The first is that governments focus on protecting "insiders," those with permanent jobs, in trade unions, or in privileged professions. The costs of such policies largely fall on "outsiders," typically young workers and immigrants. This undermines the very social cohesion governments are aiming to preserve. It also erodes Europe's economies, as companies have little reason to train the temporary workers they must hire to avoid the high costs associated with longer-term contracts. The resulting loss of human capital is a reason Europe's economies have shown lower productivity growth over the past two decades compared with the U.S.

Government policies also protect the pay and benefits of government workers, even in recessions. Over time this leads to the public sector consuming an ever-larger share of GDP.

"[M]any of the policies espoused in the name of social cohesion do not promote compassion over cruelty," writes *The Economist*.

"Rather, they encourage decline, entrench divisions and thus threaten the harmony they pretend to nurture."

## Kill Big Bird?

This year, Congress will give the Corporation for Public Broadcasting \$420 million to help cover the costs of public television. *The Washington Times* argues that this funding has outlived its usefulness.

In 1967, President Johnson signed the Public Broadcasting Act, stating that eventually he imagined "linking computers and satellites with a nationwide educational television-radio system to form an electronic knowledge bank."

Today we live in such a world, and the *Times* says the need for the government to fund public broadcasting no longer exists. About 15 percent of the funds for public television and public radio come from the federal government. Those arguing for a continuation of funding claim that eliminating it could cause public broadcasting to enter a death spiral. Or as funding proponents would say, cutting funding for public broadcasting is like killing Big Bird.

This argument ignores that some public broadcasting properties are competitive in the marketplace and have immense value. "Sesame Street," including Big Bird, is a lucrative merchandising franchise, with marketing deals for games, toys, clothing, and more.

"If the Sesame Workshop became a for-profit publicly traded corporation, it could assume a large part of the burden of supporting public broadcasting, assuming its stockholders thought that was good business," says the *Times*.

"In any case, we doubt that Big Bird is hurting."

CJ



## Why the Recovery Should Be Slow

Understanding a problem is the first step to solving it. So when we look at the overriding problem in the country today — the recession and the likelihood of a slow recovery — our initial task is to understand how we got here. Let me see if I can weave a story that makes sense.

The starting point is you and me — consumers — for the simple reason that we drive the economy. Three decades ago our behavior in the economy began to change. First, wealth started to rise.

Driven by the good stock market in the 1980s and 1990s and then the booming housing market in the decade from 1997 to 2007, average wealth per person (after taking out inflation) jumped 100 percent from 1980 to 2007. Never before were consumers so rich!

Simple economics dictated what happened next. With more wealth at hand, consumers took on more debt. A big part of this debt directly came from the rising value of our homes in the form of home equity loans. Consumers used this debt to purchase bigger homes, more vehicles, and electronic gadgets.

Even with greater borrowing, consumer debt rose at a slower rate than consumer wealth (75 percent versus 100 percent, again per person and adjusted for inflation).

Furthermore, because interest rates on loans began falling in the mid-1980s, consumers could finance this additional borrowing from their budgets. Indeed, consumer debt payments as a percentage of income rose only 30 percent during the period — less than one-third as fast as wealth.

And because our wealth was rising from the booming stock and housing markets, we had less motivation to save money from our paychecks. The personal saving rate dropped from 10 percent in 1980 to almost nothing by the middle of the last decade.

In 2007, consumers had a record level of debt and were spending virtually everything from their paychecks. Yet it didn't matter because consumer wealth was also at a record high. In fact, on paper,

consumers' financial situation looked very strong. Life was good!

Then, literally, the bottom fell out. Beginning in 2007 and continuing into 2008 and 2009, the wheels fell off both the stock and housing markets, causing an unprecedented (at least for modern times) plunge in consumer wealth. At the worst point, collectively consumers lost \$13 trillion of wealth, a full 20 percent of what they had before the recession.

With wealth down, consumers' high debt loads became exposed. The only way out of this situation was for consumers to spend less, save more, and pay down debt.

Lo and behold, this is what consumers are doing. In the past two years, consumers have paid down 7 percent of their debt and have increased their saving rate from nothing to almost 5 percent. Debt payments as a percentage of consumer income also have fallen by a full percentage point.

These individual actions certainly are good for consumers. It's a way for consumers to get their "financial balance sheets" back in order, and it's what any financial adviser would recommend. But what's good for the individual consumer may not be good for the overall economy.

Here's the issue. Spending by consumers still accounts for the majority of economic activity. If consumer spending is sluggish because people are spending less and saving more in order to reduce debt, then the economy also will be sluggish. A sluggish economy means jobs — even when they start to come back — will return very slowly.

This is why the majority of economists think the time period after the recession will continue to be challenging. Although the stock market has regained some of its losses and housing values seem to have stabilized, few forecast a return to prerecessionary wealth levels any time soon.

This means the thriftiness consumers started during the recession will continue even after the recession — perhaps for several years.

So hunker down for a different set of economic challenges!

CJ

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

MICHAEL  
WALDEN

# Filibuster is What Makes U.S. Senate Unique

Popular opinion characterizes the filibuster as a principal villain of our dysfunctional politics. From the Dutch “vrijbouter” (or pirate), a filibuster is an effort by an individual or group of senators to prevent a bill from coming to a floor vote.

This can happen for two reasons. In 1806, the Senate rather absentmindedly discarded its previous question procedure.

As anyone who has sat on a board knows, the previous question is the way in which a majority of members can bring debate to an end.

The second critical feature of the body’s rules is that the Senate’s presiding officer has no control over floor debate.

The power to recognize a senator to speak on the floor resides with the legislator who currently holds it. She is not obliged to relinquish.

At first these two peculiarities did not matter much. By the end of the 19th century, however, senators began to filibuster bills they opposed with greater frequency.

Efforts to curtail the practice began. In 1917, a small group of senators blocked a bill to arm merchant

ships that were threatened by German U-boats.

Calling the obstructionists “a little group of willful men,” President Woodrow Wilson implored the Senate to change its operations. It did so by creating Rule 22 and a procedure called cloture.

A filibuster could be ended with two-thirds of senators present and voting. The senator offering a motion to bring this about had to be recognized.

Until the 1960s, a filibuster not only prevented a vote on the bill under consideration, it brought the Senate’s entire legislative business to a standstill. So as to allow other bills to go to the floor and progress to passage, the Senate leadership introduced the track system.

This put an end to the old “Mr. Smith” filibusters — made famous by Jimmy Stewart’s performance in Frank Capra’s *Mr. Smith Goes to Washington* and pajama-clad southern Democrats who read for hours from the telephone directory as they opposed civil rights bills in the 1950s and early 1960s.

From that point on, pulling legislation from the floor constituted the suspension of the bill’s consideration and allowed members desperate for a bathroom break the opportunity to relieve themselves; it did not necessarily signal a bill’s death.

The last great change to Rule 22

came in 1975. In that year an alliance of northern Democrats and moderate Republicans was able to reduce the number of votes required to invoke cloture to 60.

These revisions to Rule 22 have not reduced the use of the filibuster. In fact, over the past 40 years the number of filed cloture motions has grown tremendously. Between the 1960s and 1970s, formal efforts to stop filibusters essentially tripled — from a trickle to a steady stream of about 30 to 40 — in each Congress. By the early 1990s, this number had doubled again — to about 70 — and now we face a torrent. In the 110th Congress of 2007-09, 139 cloture motions were initiated.

The heightened activity has generated more reform proposals. During the Bush years, the Republican majority toyed with the idea of having the presiding officer rule that filibusters on judicial nominations were not in order.

Under their current Democratic rule, senators have been mulling a proposal, most closely associated with Tom Harkin of Iowa, to reduce the threshold for invoking cloture over time.

Essentially the first vote on a cloture motion would, as is the case now, require 60 votes to go forward. But if that failed the next vote would be two days later and require 57. This process would repeat itself until the number fell to 51, or a simple majority.

Senators from both parties are reluctant to support such changes because they understand the filibuster serves an important purpose. The procedure is part of the Senate’s uniqueness; it helps explain why many consider it the “world’s greatest deliberative body.”

George Washington believed the Senate should act like a “saucer” to “cool” House legislation. It is really the filibuster that permits the Senate to behave this way.

The filibuster plays a particularly important role in our current politics of cohesive and polarized parties. Today’s partisanship has made our House of Representatives similar to the British House of Commons.

The majority sets the agenda unilaterally and sends it quickly to the floor where it can be assured a victory after vacuous and choreographed debate.

Without the ability of dissenting senators to filibuster and slow bills down, legislative consideration of policy proposals would be minimal when both houses of Congress are controlled by the same party.

Thus the great irony: The filibuster is most needed when it can do the most damage. *CJ*

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**ANDY  
TAYLOR**

## Forced Annexation vs. Property Rights

When the General Assembly reconvenes in May, adjustments to the budget will be made. Stricter ethics rules and taxpayer-funded elections are also ripe for further consideration. But no item on the short session’s agenda will be as important as a key property rights protection issue — reform of North Carolina’s repugnant forced annexation laws.

North Carolina is one of a handful of states granting municipalities free rein to annex property owners without their consent and charge taxes before residents receive services. The House passed a weak attempt at reform at the end of the 2009 session. The bill met a brick wall of resistance in the Senate from its powerful leader, Tony Rand, who resigned Jan. 1 to take charge of the state parole board.



**BECKI  
GRAY**

The bill remains eligible for consideration during the short session. According to a fiscal note, proposed forced annexation reform will cost the state about \$190,000 a year, as a result of the reporting that would be required from new oversight provisions in the bill.

The problem with annexation is not that cities are breaking the law — for the most part they aren’t. But the law is written so broadly that cities are encouraged to trample property owners’ rights. And when cities do overreach, the penalties are minimal at best.

The bill that is eligible for consideration, House Bill 645, is weak and does not offer enough protection. But it can be amended.

Before a proposed area is annexed, the affected property owners should be able to vote on whether they want to pay city taxes and receive city services. Then, if a majority supports annexation, county commissions should provide oversight of the entire process. Any services provided should indeed be meaningful, i.e., needed

and desired by the property owners. If a city initiates the annexation, it should be financially responsible for new water and sewer infrastructure.

The political prospects of real annexation reform are uncertain. The largest hurdle in getting a bill heard vanished when Rand stepped down. Advocates for property rights protection in the Senate include Minority Leader Phil Berger and Sen. Larry Shaw, a Fayetteville Democrat. Many others oppose annexation reform.

If the annexation bill that is eligible for consideration is amended and passes in the Senate, it would then have to go back to the House for reconsideration. The first vote in the House was difficult and contentious. Political considerations, part of the long session debate, will play an even greater part in this election year debate.

Polling shows that North Carolinians don’t like forced annexation. In a March 2009 Elon University poll, 40 percent of the respondents disagreed with forced annexation, and a June 2008 Civitas poll found that 51 percent

of those polled thought a one-year moratorium on forced annexation was a good idea.

However, 40 percent of the Elon poll respondents said they hadn’t given the issue much thought, and 12 percent of the Civitas respondents weren’t sure about the issue.

Forced annexation may not affect everyone. Some of us already live within city limits, and others aren’t attractive as potential annexation targets. But if government has the power to take anyone’s property, no one’s is safe — through forced annexation or some other scheme.

John Locke believed that all men are granted certain rights by God and that government exists to protect those rights. Our Constitution is based on those beliefs. The General Assembly must ensure that the principles behind the founding of our nation and our state are upheld. Paramount among those principles is the protection of the right to property. *CJ*

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

# Edwards Mistress Gets NC's Highest Honor

## Former Senator's DARK SECRETS!



# Perdue: Hunter Good for State Long Leaf Pine Award to adorn LOVE NEST?

By POP. A. ROTZEE  
Entertainment Editor

BLOWING ROCK

Gov. Bev Perdue recently awarded John Edwards mistress Rielle Hunter the Order of the Long Leaf Pine, North Carolina's highest civilian honor, for Hunter's efforts to "put North Carolina in the national limelight."

Hunter decided to become a North Carolina resident after Edwards recently admitted he was the father of their 2-year old daughter.

"We are thrilled to have Rielle settle in North Carolina. She has done more to put us in the national limelight than any economic development project since I became governor. We owe her big time," Perdue told *Carolina Journal*.

Perdue said that unlike her predecessor Mike Easley, she would reserve the Long Leaf Pine award for individuals who actually have made a significant difference. "Under the Easley administration, the Long Leaf Pine award was easier to get than a state highway map," Perdue said.

The *National Enquirer* first reported on the Edwards affair in October 2007, and since then the magazine has had at least 35 reporters and photographers stationed in North Carolina.

"These reporters are essentially long-term tourists. They spend money on hotels, rental cars, surveillance equipment, meals, and lots of booze. I hope they stay in North Carolina for a long time," Perdue said.

During his run for the 2008 Democratic presidential nomination, Edwards, a former U. S. senator, hired Hunter as a campaign videographer. He originally denied an affair

with Hunter, then admitted the affair but denied being the father of her child. In January, he admitted being the father.

Edwards has been the target of a federal investigation into the possible use of campaign funds to hide the affair. Hunter appeared last August at the federal court building in Raleigh — presumably to testify before the grand jury looking into the matter.

Edwards and his wife Elizabeth recently have separated. He has stated publicly that he wants to be involved with raising his new daughter. The *Enquirer* and other media outlets have reported statements from Edwards that he eventually intends to marry Hunter.

The Edwards affair with Hunter was chronicled in *The Politician*, a book by former Edwards aide Andrew Young. A reported sex tape of Edwards and Hunter recently was seized by the FBI.

Perdue said several people have suggested that she give the Long Leaf Pine award to Young. "Andrew's

got a lot of support, but I am holding out until he turns over all copies of that tape," she said.

Perdue made the presentation to Hunter last month at a small ceremony in Blowing Rock at the vacation home where Hunter was staying.

Perdue said Bob Collier, the home's owner, nominated Hunter for the award. A Statesville businessman, Collier is also a retired state Supreme Court justice. He has served on the North Carolina Board of Transportation for six years and recently was named chairman.

Collier told *CJ* that Hunter and his son Burr met many years ago on the horse show circuit and have remained friends.

"She's a real pistol. Lots of interesting stories. We really enjoyed having her as a guest," he said. *CJ*



Gov. Beverly Perdue welcomes Rielle Hunter to North Carolina with open arms, calls her good for the economy.

# Carolina Journal/Connects the Dots

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