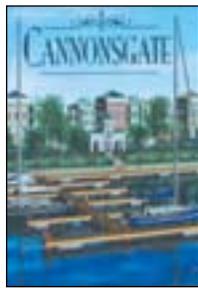


Questions persist on Mary Easley job at N.C. State, 5



CAROLINA JOURNAL

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

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Discount House

Raleigh officials give \$2.3 million in rental cuts at new center

By DAVID N. BASS
Associate Editor

City officials gave \$2.3 million in rental discounts on the newly minted Raleigh Convention Center through 2023 and \$167,000 in taxpayer-funded subsidies this year to attract companies and organizations, public records show.

The city also booked at least 10 groups for free, among them RBC Centura Bank, and another dozen organizations for one dollar each. Other groups, however, paid full freight for conventions next year.

The John Locke Foundation released an analysis of the bookings Sept. 4, the day before the convention center's grand opening. The center will have an economic impact in the tens of millions of dollars, city leaders say. But it took deep markdowns to get the first 164 conventions to choose Raleigh.

In addition to the \$167,000 used to attract organizations, \$166,000 in subsidies is in the pipeline awaiting approval. The Raleigh City Council,



The Raleigh Convention Center conducted its grand opening Sept. 5. City leaders say it will have a huge economic impact, despite heavy discounting of rental rates. (CJ photo by Don Carrington)

the Wake County Board of Commissioners, and the city's visitor's bureau must approve any single subsidy more than \$100,000.

North Carolina State University has received the biggest grant, \$96,900, so far for a community college conference Oct. 11-14.

Wake County Commissioner Paul Coble likened the rental discounts to a private store offering sales to get customers familiar with its product. "The real question is how long the convention center will have to be subsidized, because any good businessman

knows you can't make a loss up on increased volume," Coble said.

"From a marketing standpoint, I understand what they're doing, but the question then comes down to how long you are going to do it, and is it really effective?" he said.

Roger Krupa, director of the convention center, criticized the JLF report for focusing on the rental discounts rather than the economic benefits that he said the center will bring to

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Grass roots Move Against Annexations

N.C. Senate killed bill that would have put moratorium on forced takeovers

By KAREN WELSH
Contributor

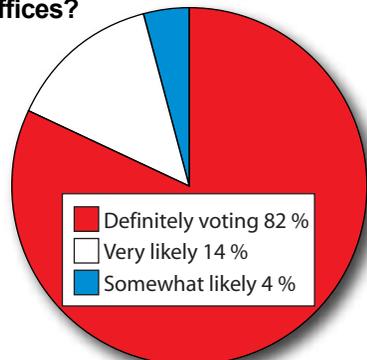
The Senate killed a bill that would have imposed an involuntary moratorium on cities' forced annexation of communities during the short session of the General Assembly this summer, but the movement against the takeovers refuses to rest in peace.

The cease and desist order was spawned by a grass-roots uprising during the legislative session to help ease the plight of many property owners from hostile takeovers by municipalities in 33 communities in 17 counties across the state.

House Bill 2367 quickly passed in the House, only to have the Senate version of the bill shot down by Senate Majority leader Tony Rand (D-Cumberland) before it ever made it to the Senate floor for a vote.

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How likely are you to vote in the Nov. election for president and state offices?



Civitas Institute Poll, August 2008

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Grass Roots Move to Fight Annexations

Continued from Page 1

The original annexation bill, passed in 1959, has affected 1 million people across the state, ranking North Carolina No. 2 in the nation for the number of people directly affected by the process. The law's intent was to help provide health, safety, and welfare measures for urban residents, but it has turned into a land grab and taxation-without-representation issue for cities and towns wanting to enlarge their tax coffers.

"Right now the citizens of North Carolina are being raped by the municipalities," Rep. Larry R. Brown, R-Forsyth, testified before a House committee. "We need to change this law from top to bottom."

Wake County resident Cathy Heath was one of the first to bring the fight to Raleigh. She first read the law in 2001, when her neighborhood received a notice of annexation. "The more I looked at it, the less sense it made," she said. "I was appalled that North Carolina had this law and that good citizens were being steamrolled right over. I felt it was important to do something about it and get the law changed."

Heath became aware that many residents in the state were affected, but they weren't organized into one voice. She decided to use the Internet to bring concerned citizens together. "People had no idea there were other people going through the same thing," she said. "I realized it was a statewide issue, and I jumped in and started the Web site [www.stopncannexation.com]. I knew we needed to unify in order to get the legislatures to stop this law."

Collectively, Heath's grassroots organization, Stop N.C. Annexation, first took the issue to Raleigh in 2004, where the group's members were met by political rhetoric, abuses of power, and legislators who knew the law was wrong but who were intimidated by the League of Municipalities.

"It's a big dog were up against," she said. "Through the years, however, they have come to know we have a lot of support and citizens that want change. We just have to keep the pressure on."

Doug Aitken, president of the Fair Annexation Coalition and a recent citizen appointee to a select House and Senate joint study commission on annexation, said he became involved in the movement after the nearby town of Pinehurst decided to forcibly annex Pinewild Subdivision, a private, gated community where he resides.

Aitken said his group has worked tirelessly to bring forth legislation to stop the League of Municipalities from wrongfully taking over land that doesn't belong to the cities. "There's no one minding the store," he said. "There's no one monitoring the abuse, except the citizens of North Carolina."

Although there has been progress

Voting against

N.C. senators who refused to sign the Involuntary Annexation Moratorium Bill during the 2008 session:

Bob Atwater, D-Durham
Marc Basnight, D-Dare
Doug Berger, D-Guilford
Dan Clodfelter, D-Mecklenburg
Janet Cowell, D-Wake
Charles Dannelly, D-Mecklenburg
Katie Dorsett, D-Guilford
Linda Garrou, D-Forsyth
Malcom Graham, D-Mecklenburg
Clark Jenkins, D-Pitt
John Kerr, D-Wayne
Eleanor Kinnaird, D-Orange
Floyd McKissick, D-Durham
Martin Nesbitt, D-Buncombe
William Purcell, D-Richmond
Tony Rand, D-Cumberland
R.C. Soles Jr., D-Pender

Source: FairAnnexation.com

in passing a bill, Aitken said it's the "good old boy" system in the Senate that is blocking any measure to provide relief for taxpayers across the state.

"I am encouraged by the support on the House side," he said. "I'm discouraged about the makeup on the Senate side. There is no one opposed to forced annexation, and there's a heck of a lot of stuff that needs to be looked at and fixed."

"The law is very inequitable. It's slanted so that it's not in favor of the citizen. It ties their hands behind their backs. It's all stacked up against us. It's a decrepit law. People hate it. We have no vote and no say. It's been that way for 50 years."

Aitken said it's unfortunate that many of the annexation deals are concocted behind close doors, leaving most homeowners unaware until it's too late.

Ronald Hobbs, president of the 400-member Shallotte Point Preservation Group, on the inter-coastal waterway, agreed. "There are so many backdoor deals going on," he said.

Hobbs said his small community has fought land grabs and higher taxation through forced and satellite annexation attempts by the town of Shallotte, which is many miles away. He said the unfair takeover began when coastal properties became a hot commodity and developers wanted to tear down historic homes, trees, and scenic areas to build high-density condominiums.

"In our case, they've taken from us on every front," he said. "Real estate developers were welcomed by the town of Shallotte. They saw it as future revenue through expansion and allowed them to come in and destroy this community. They've bulldozed beautiful properties and left them bare

and vacant. They are now eyesores and environmentally unstable. No good has come from it. It's been a boondoggle from the beginning."

George Edwards, president of the Historic Wilmington Foundation, said the current laws of annexation will eventually destroy historic landmarks and communities, including Shallotte Point.

"It's in jeopardy of being lost," he said. "Annexation creates this blurring of boundaries and there's a real threat that this small area could be gobbled up and plowed over by development. Then, the very thing that drew people there in the first place will be gone."

In the case of Pinewild, Aitken said the community had asked to be annexed into Pinehurst when it was first being developed. The town refused, not wanting to pay for the expense of sewer and water lines and hookups to the new area.

Pinewild became a self-sustaining private community, mostly populated by retired residents. They paid for everything, including their road system.

Now that they're established, Pinehurst wants to take them over through annexation in order to force the community members to pay about \$1,000 per household in taxes to the town each year without any return of services as required by the law.

"There has to be a meaningful benefit to the community in order to make the annexation legal, but in this case there is not," Aitken said. "It's a tax grab, a revenue enhancer."

In the meantime, there are poor communities, mostly populated with minorities that are being ignored for annexation. Aitken said they are the ones that need help. As a result, most cities and towns that are forcibly annexing middle- to upper-class communities look like a doughnut, with struggling communities caught in the center.

"The municipalities don't want them," he said. "They can add nothing to their coffers and they would become the majority vote if they were annexed and the town councils don't want that."

Fair Annexation Coalition Vice President Tony Tetterton said the piecemeal approach is unfair and has to stop. "North Carolina is the only state in the nation that allows unregulated satellite annexations," he said. "This creates pockets of little cities. It's just not a good idea."

Tetterton became involved in the anti-annexation movement two years ago when officials of Selma decided they were going to illegally annex 600 acres around the perimeter of the town in order to facilitate the building of a large business.

When Tetterton started to investigate the annexation law, he found it to

Please see "Annexation," Page 3

Raleigh Convention Center Opens With Heavily Discounted Rates

Continued from Page 1

downtown.

"Is it in the convention center? Not necessarily. It's in the total economy: the hotels, the restaurants," he said.

Little to no cost

The 68 conventions scheduled during the next 10 months got an average 58 percent discount in room rental rates. The mortgage protection insurance company National Agents Alliance, for example, paid zero in rent and a one-dollar "rental deposit" for a weekend conference in mid-September. The rental price for the rooms booked by the firm would normally total \$22,725.

The Alliance also is one of six groups that received taxpayer subsidies from a business development fund created by the Raleigh City Council and Wake County commissioners. The company was approved for a \$12,800 subsidy in April, meaning it got nearly \$36,000 in discounts and subsidies combined.

A majority of other groups received at least a minimal price break, and many of them got steep discounts. The N.C. Department of Environment and Natural Resources will conduct a convention in February at a 71 percent markdown. The N.C. Department of Public Instruction got a similar discount for a convention in April — from a \$30,400 list price to \$12,000.

Some organizations did not get a price cut. The Diocese of Raleigh paid the full \$17,000 list price for its Ignited by Truth conference in February. But the Diocese did get a discount on its conference for Catholic schools. A taxpayer subsidy of \$28,820 for the Tekakwitha Conference, a group of Native American Catholics, is pending.

Other groups are paying full price, too: the Werner Publishing Corp., Lightner Youth Leadership Academy, and the High Five Regional Partnership, among others. The N.C. State Fireman's Association will also pay the full rental rate for its convention in August, but it got a discounted rate for its convention in 2010.

Mike Fedewa, superintendent of formation and education for the Diocese of Raleigh, said he was unaware that the diocese was not afforded a rental discount.

"We're struggling to pay for this. The people who we are targeting, they can't afford a lot. With the cost of the



There was sparse attendance at a recreational vehicle show Sept. 20 at the newly opened Raleigh Convention Center. (CJ photo by Don Carrington)

speakers, the cost of the venue, it's going to be difficult," he said.

Selling the center

The fluctuation in rates between conventions is because of the competitive process needed to get groups to choose Raleigh over other cities, Krupa said.

"At each turn when you're out selling ... you start getting a good idea in the negotiation of how to get someone to move to your city," he said. "It's a very competitive environment. It becomes apparent very quick [sic] what it's going to take to make the business happen in your city. Each case is substantially different."

Asked why almost two-dozen groups and businesses paid zero to one dollar to use the convention center while others paid full price, Krupa said rental costs should be

viewed in the broader macro-economic picture.

"There are a multiplicity of factors on how important the rent is," he said.

Rental discounts and taxpayer subsidies are based in part on how much cash a convention is expected to bring to downtown businesses from other areas of the state or country. But some companies and groups in Wake County got vastly different rates.

Raleigh-based Red Hat Inc. booked

three ballrooms and the ballroom lobby for a holiday party in December for free. Wake Med, in contrast, paid nearly full price for a convention scheduled for October.

"What's the difference?" Coble said. "Wake Med is a homegrown hospital, one of our largest employers serving the community, where Red Hat is a private entity. The only argument you can make is to look at the background of each group and see if they contributed to the center and this is the quid pro quo."

There are also questions of how the new convention center will affect existing venues in Wake County, such as the McKimmon Conference and Training Center at N.C. State University.

Krupa said that the McKimmon Center likely has had "limited economic impact" on Wake County. "Does it make a difference whether [conventions go] to the McKimmon Center or here? Probably not," he said.

Taxpayer-funded subsidies

In April 2007, Raleigh and Wake County leaders created a business development fund financed through hotel and restaurant taxes. The Greater Raleigh Convention & Visitors Bureau is responsible for approving any grant less than \$100,000. County commissioners and city council members must approve grants larger than that.

If the visitor's bureau approves all the grants now on the table, taxpayers will have footed the bill for a total of \$332,800 in subsidies. Along with rental discounts, the grants are one of the perks the city uses to attract conventions.

"If it had not been set up, the burden would have been on property taxpayers, and that didn't seem fair," said Krupa when asked why the fund

was created.

One of the subsidies — \$96,900 for N.C. State University's community college conference — is close to the amount that would require review. But Coble said city and county leaders should not micro-manage the convention center by lowering the threshold, at least for now.

"We have professional staff who we have put in charge of that," he said. "I do think it is incumbent upon the council and the commissioners to go back and look at it on occasion and see if there is a pattern of subsidies just under \$100,000 in order to skirt that issue."

'A loss leader'

Initial cost estimates for the convention center were \$180 million. The final price tag ended up being 23 percent higher. Convention center supporters say the increases were caused by rising cost of supplies. But not everyone was pleased with the price jumps.

"We've gone from \$180 (million) to \$192 (million) to \$215 (million) to \$222 million. I'm not happy about being here," said Wake County Commissioner Joe Bryan in 2006, according to WRAL-TV.

The convention center is expected to lose millions annually. "It probably won't be self-sustaining," Krupa said. "But when you think about what this building does, it's the loss leader in this area. The goal is to make people spend money in the city. That's the enterprise you want. This is the factory for that enterprise." CJ

Annexation

Continued from Page 2

be riddled with inequities.

"It's a draconian law," he said. "But it's supported by the League of Municipalities, which has a powerful lobbying group. They have a lot of influence with legislators and they don't want to see the law reformed because, as it stands, it favors them and only them."

Tetterton said that is unacceptable. "As it stands, there is not a pretense of democracy in the Senate and citizen's rights are being violated," he said. "If the same senators are in power next session, I predict we will walk into their chamber and they will have already decided what they are going to do."

"They may play around with a bill and make it look like reform, but they don't want it. These guys aren't idiots, though. They know how to write and make it look like reform, even though it isn't. But the voters can make changes in November to make sure real changes occur."

Hobbs said all taxpayers should be wary of allowing annexation laws to remain the same because some day everyone will have to pay. CJ

Some groups got substantial price cuts for their events, but one that didn't was The Diocese of Raleigh for its Ignited by Truth conference

Cultural Secretary's Property Deal Appears Lucrative

BY DON CARRINGTON
Executive Editor

NC. Cultural Resources Secretary Libba Evans and her husband gained nearly \$300,000 in a unique Manteo real-estate transaction, according to a *Carolina Journal* analysis of public records.

Evans and her husband, James T. Lambie, purchased the property in 2006 after a commission under Evans' department eliminated stringent tree-cutting regulations on the land where the lot is situated. A *CJ* story in December 2007 described the sequence of events that led to her potential conflict of interest in that matter. Evans said last year that she was unaware that the Roanoke Island Commission had taken action on property she was negotiating to buy.

The action benefited the developer because it removed restrictions on six single-family home lots. Last year the project manager said he was unaware of the restrictions.

The two-story Hulcom house is believed to be the oldest house in Manteo. It was in poor condition, but town officials insisted that it be preserved before they would allow the Marshes Light development to proceed. Marshes Light is a 14-acre residential and commercial waterfront project being developed by Kitty Hawk Land Company. It is a mix of individual home-sites, townhouses, condominiums, and retail and office spaces.

John Wilson, Manteo's mayor at the time, said he put Evans in touch with Marshes Light representatives. Evans and Marshes Light subsequently struck a deal. The developer moved the home to a new lot and set it up on a new foundation. Evans paid \$300,000 for the lot and home Sept. 19, 2006. The same day the devel-

MANTEO



The Hulcom house (above) is believed to be the oldest house in Manteo. It could not have been placed on its current site without a change in tree-cutting regulations approved by Libba Evans' department. (*CJ* file photo)

oper sold the adjoining vacant lot to another couple for \$350,000. A new home now occupies that lot.

Calculating the value

The actual value of the relocated historic home before renovation and the new foundation could not be determined through public records. The estimated cost of the contract for the subsequent renovation and expansion, as stated on the building permit application filed by Gibbs Building, Inc., was \$150,000. So public records show that Evans and Lambie spent a total of \$450,000 for the finished 2,800-square foot home and lot.

After the home was completed this year, the Dare County tax office valued the total property at \$623,500. The current value is actually based on the year 2005 schedule of values, so new property added to the tax

roles is effectively discounted to a value as if it had been added in 2005. The next countywide revaluation will be effective in 2010.

An analysis of several other purchases in the same development shows that the purchase price averaged 17.1 percent higher than the tax value. Adding an additional 17.1 percent to the tax value of the Evans home would put its value at \$730,000, or \$280,000 more than public records show the couple has spent on the home.

Deeds of trust signed by Evans and her husband show they borrowed, or can borrow, up to \$600,000 on the property.

Evans on leave without pay

Evans has been the head of the Cultural Resources Department since 2001, when Gov. Mike Easley appointed her to the position. In addition to her state government duties, she remains involved in multiple real estate businesses.

Evans could not be reached for comment. She has been on leave without pay since May, and Easley's office will not elaborate on the reason.

"Sec. Evans is taking leave without pay to handle a personal matter. She is not receiving a salary and is paying the cost of her benefits from her own pocket. Our understanding is that she does plan to return when her personal business is complete," Easley's press secretary, Renee Hoffman, said.

A message left on Lambie's office phone was not returned. Calvin Gibbs, the Dare County building contractor who renovated Evans' home, would not answer questions about the project. "I ain't telling you nothing," Gibbs said when reached by phone. *CJ*

Analyst: N.C. Price-Gouging Law Leads to Gas Lines, Shortages

BY CJ STAFF

RALEIGH

Consumers can blame North Carolina's price-gouging law for the gasoline lines and shortages appearing in the wake of Hurricane Ike, says a John Locke Foundation analyst who has studied the unintended consequences of price-gouging legislation.

"Gas station owners are afraid to raise prices in light of threats of prosecution from state government," said Dr. Roy Cordato, JLF vice president for research and resident scholar. "Because those owners refuse to raise prices, consumers continue to flock to the pumps, and the stations run the risk of running out of gas."

The current problem with shortages and gas lines is far different from the situation that followed Hurricane Katrina in 2005, Cordato said. "North Carolina had no problems with shortages or long lines at the gas pumps after Katrina because the price system was able to work," Cordato said. "The only difference between 2005 and 2008 is the new version of the state's price-gouging law."

"It's against the law to charge 'too much' for gas — whatever the government decides 'too much' means — but it's not against the law to run out of gas

and shut down your pumps," Cordato said. "Faced with that choice, why would a gas station owner take the risk of running afoul of this arbitrary law?"

Gov. Mike Easley declared a state of "abnormal market disruption" in connection with N.C. gasoline supplies. Under N.C. law, Easley's declaration charges Attorney General Roy Cooper with enforcing the price-gouging statute. This statute "prohibits the charging of prices that are unreasonably excessive under the circumstances," according to a news release from the governor's office.

Cooper's office responded by urging people to report any evidence of price gouging to the Attorney General's Consumer Protection Division. A statement from Cooper's office encouraged gas station owners "to avoid panic price increases" while also urging consumers to avoid "panic fill-ups."

These steps are counterproductive, Cordato said. "Higher prices play an

important role at a time like this: They stem consumer greed," he said. "If consumers fear prices are about to go up, they'll all head to the gas station to fill up their tanks. If they have two or three cars, they'll repeat the process for each vehicle, whether they need the extra gas or not. Higher prices discourage this practice. Higher prices encourage conservation just when it's needed the most."

Cordato explored the dangers of price-gouging laws in the December 2006 Nathaniel Macon Research Series report, "North Carolina's Price-Control Laws: Harming Those They're Meant to Help." That report followed the General Assembly's 2006 decision to expand a 3-year-old state price-gouging law.

The earlier law had applied to price changes connected only to natural disasters directly affecting North Carolina. The 2006 revisions extended the price-gouging law to cover any case

of "abnormal market disruptions," as determined by the governor, Cordato said.

"One of the key problems with the law is the vague definitions used to explain price gouging," he said. "The definitions have nothing to do with sound economic theory and show no consideration of what constitutes efficient price formation or the role of prices in an economy."

Business owners face a major disincentive if they're considering raising prices once the law kicks into effect, Cordato said. "Penalties for violating the state's price-gouging laws can be quite severe," he said. "Each violation has a maximum penalty of \$5,000, and 'injured parties' may seek compensation."

Even the term "price gouging" creates problems, Cordato said. "From the perspective of economic science, the concept of 'price gouging' or 'extreme pricing' or 'unreasonable pricing' has no meaning," he said. "In reality the main purpose of a price-gouging law is to punish sellers who might be pricing according to actual supply-and-demand conditions. If a seller is charging a price that is truly extreme, higher than buyers are willing to pay, he will make either no sales or fewer sales than he would ideally like to make given his inventory." *CJ*

State law shortcuts
natural effects
of pricing
that prevent
shortages and lines

Questions Persist on Mary Easley's Initial Hiring at N.C. State

Hiring coincides with real estate deal and trustee reappointment

By DON CARRINGTON
Executive Editor

RALEIGH

Some questions still surround first lady Mary Easley's initial hiring at NCSU at \$80,000 a year although the UNC Board of Governors on Sept. 12 approved a \$90,000 pay raise and five-year contract for her at NC State.

In 2005 she left her part-time teaching job at NC Central and began working at NCSU for \$80,000 a year. Carolina Journal has been unable to determine who initially suggested that NCSU hire her. Like her new job, her initial job in 2005 was not advertised and no one else was interviewed.

Her recent salary approval came only after UNC system President Erskine Bowles forced NCSU officials to rewrite her job description.

Bowles told reporters after the board meeting that the initial arrangement which Ms. Easley had with NCSU was not acceptable and that he would not take it to his board for approval. The original offer from NCSU had Ms. Easley working only nine months and that all of her salary would come from public funds. Bowles said he demanded that she work 12 months a year and that one-third of her \$170,000 salary come from money she raised privately.

Her new pay represents an 88 percent raise. She will continue to work for NCSU Provost Larry Nielsen, the school's chief academic officer. Her title is senior lecturer, and her duties include setting up a public safety leadership program, recruiting speakers for a lecture series, coordinating a pre-law program, and teaching two courses.

Nielsen said the details that led to the initial hiring of Ms. Easley at NCSU were unclear. He said he didn't remember who suggested he talk with her. Chancellor James Oblinger said he did not know who suggested Ms. Easley for employment.

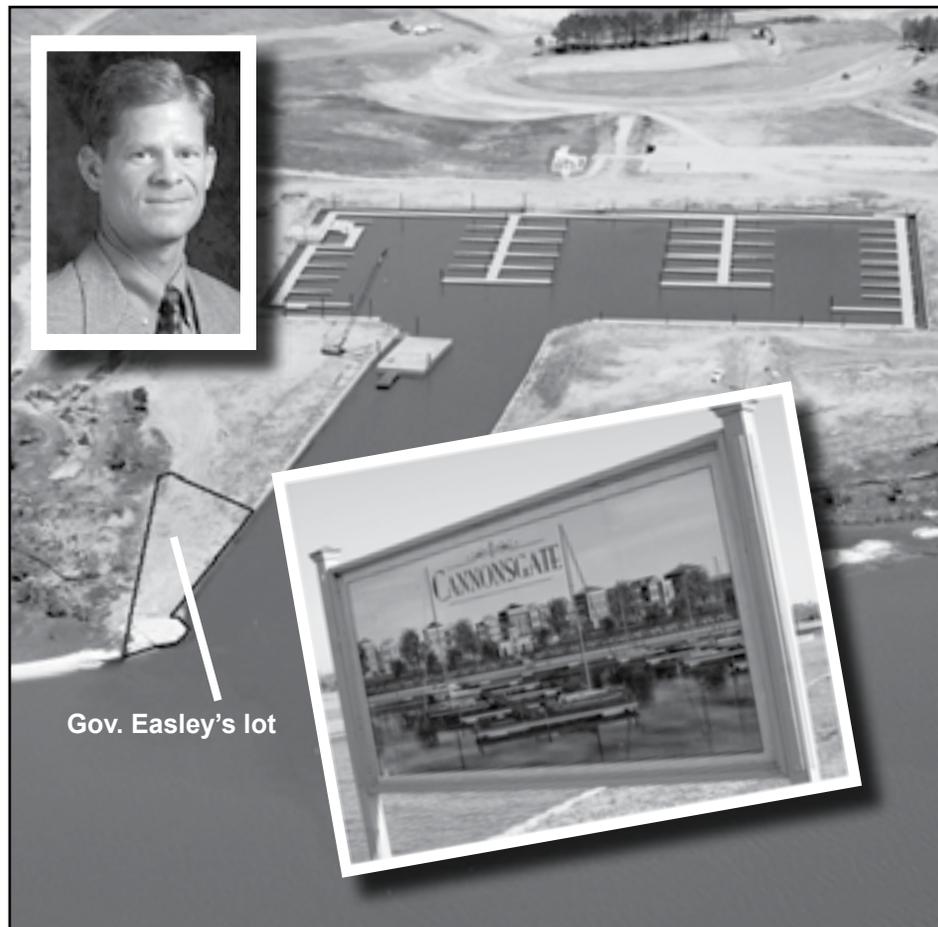
Bowles said also that he did not know how Ms. Easley first came to NCSU. Efforts to obtain an explanation from Ms. Easley have been unsuccessful.

The Campbell factor

A *Charlotte Observer* story in 2006 described NCSU Board of Trustees member Dallas McQueen Campbell, III, as a longtime friend and campaign contributor to Gov. Mike Easley.

Campbell would not talk to *CJ* by phone and his written response to questions by e-mail about any role he might have had in Ms. Easley's hiring was vague

Campbell, a 1993 graduate of



Dallas McQueen Campbell (inset above), a longtime supporter of Gov. Mike Easley, says he had nothing to do with the initial hiring of Mary Easley at N.C. State as a member of the N.C. State University Board of Trustees. Campbell also says he had nothing to do with pricing a lot that Gov. Easley bought at a favorable price in the Cannonsgate development in Carteret County. Campbell was director of acquisitions for the company that developed Cannonsgate. (A *CJ* photo illustration)

NCSU, became a real estate broker in 2000. He played a key role in a 2005 real estate transaction in which the Easleys purchased a waterfront lot in the Carteret County Cannonsgate development for \$549,880. News reports later showed that the price the Easleys paid for the lot was significantly less than comparable sales in the same development. One year after the purchase, county tax officials appraised the lot at \$1.2 million.

Easley has stated he bought the lot as an investment. It is currently the second-most valuable lot in the 525-lot development. Easley does not own one of the 75 separate boat slips at the Cannonsgate Marina, but Campbell, through one of his companies, owns five.

In 2006, when asked about his relationship with the governor, Campbell told the *Observer*, "Its pretty common people are going to do business with people they know and trust. I don't know too many people who do business with their enemies."

The governor appointed Campbell to the Board of Trustees in 2001 and reappointed him in 2005. Campbell was elected chairman of the NCSU board in 2007. Easley also appointed Campbell's father, D. M. Campbell, Jr., to the N.C. Board of Transportation in 2001.

Campbell's disclosure

As a member of the NCSU Board of Trustees, Campbell is required to complete a Statement of Economic Interest

and deliver it to the State Ethics Commission. Campbell's statement appears to be incomplete or misleading.

On his most recent form, submitted in April, Campbell listed eight business entities that he has financial interests in, including Campbell Property Group, Inc. and Campbell Development, LLC. He listed himself as an owner of both entities.

The N.C. Secretary of State corporation records show Campbell as the manager of Campbell Development. Carteret County property tax records show that Campbell Development owns six lots and five boat slips in Cannonsgate. The most valuable lot has a tax value of \$707,834. The individually deeded boat slips are valued at either \$85,000 or \$100,000. The total tax value of Campbell Development's Cannonsgate properties is \$3.9 million.

Under the real estate holdings section of his economic interest statement, Campbell lists only his Wake County residence. He does not list his 11 Cannonsgate properties.

In addition to running his Raleigh-based company, Campbell Property Group, documents obtained by *CJ* list Campbell as the director of acquisitions for a group of waterfront development and financing companies headed by William G. (Gary) Allen, an N.C. native who now lives in Florida. Allen's companies developed Cannonsgate. They are also developing two other waterfront communities in North Carolina — Summer-

house on Everett Bay in Onslow County and Cutter Bay in Pamlico County.

Campbell failed to disclose his relationship with Allen on his economic interest statement.

In August, *Carolina Journal* sent documentation of Campbell's ownership of Cannonsgate lots and his involvement with Allen's companies to Ethics Commission Executive Director Perry Newson. Newson acknowledged on Sept. 22 that he has received the material but he said he could not comment on it.

Campbell responds

Campbell did not respond to multiple requests for an interview, but an employee of Campbell Development eventually called *CJ* and asked that questions be sent to Campbell by e-mail. The questions and responses were as follows:

Question: "Your Statement of Economic Interest did not list your Cannonsgate lots or your affiliation with Waterfront or any of William G. Allen's various companies. Why? Please explain."

Answer: "Cannonsgate Lots — I personally do not own (or hold title to) any lots at Cannonsgate, therefore they were not listed in my SOE [sic]. William G. Allen and/or companies have not done business with NC State University, nor to my knowledge, ever sought to do business with NC State."

Question: "Who reserved the Cannonsgate lot for Gov. Easley and who set the price? Please be specific."

Answer: "I represented Gov. Easley in the transaction where he purchased a residential lot in Cannonsgate. I was a buyer's agent for Gov. Easley and had nothing to do, nor any input in, the pricing of the lots."

Question: "Did Gov. Easley pay a down payment on the lot?"

Answer: "I have no knowledge of how Gov. Easley paid for his lot."

Question: "The deed had your Raleigh address on it. Will you provide a copy of the sales contract?"

Answer: "The detailed real estate information for all my clients is confidential."

Question: "Did you discuss a job for Mary Easley with any NCSU official at any time? Please explain."

Answer: "I was briefed, as were all Trustees, on the decision to hire Mrs. Easley and was fully supportive, as were all Trustees, of this decision. We had no vote on the matter at any time when she was hired. The decision to hire Mrs. Easley was made by the Provost. However, I am fully supportive of the decision by the Provost, the Board of Trustees Academic Affairs & Personnel Committee, and the UNC Board of Governors in supporting the hiring of Mrs. Easley. She has been a huge asset for NC State and will continue to be into the future." *CJ*

N.C. Briefs

N.C. government gets a D

North Carolina earns a D grade for its Taxpayers' Return on Investment, a new measure that compares states' tax burdens to their performance in education, road quality, health, and crime, along with income and population growth. A new John Locke Foundation Spotlight report explains that grade.

"North Carolina has long had one of the top state and local tax burdens in the Southeast and still does," said report author Joseph Coletti, JLF Fiscal and Health Care Policy Analyst. "Residents of the state pay twice as much in state and local taxes, adjusted for inflation, as they did in 1983."

Coletti's report is designed to help North Carolinians determine whether state government is offering a good "bang for the buck."

North Carolina fares worse than most of its neighbors, Coletti said. "An overall D grade puts North Carolina just ahead of Georgia, but well behind Virginia's and South Carolina's B grades, Tennessee's A-, and Florida's A grade as the top-ranked state," he said.

Dropout grants ineffective

More than 70 percent of the school districts that won state dropout prevention grants last year saw their graduation rates decline in 2008. A John Locke Foundation analyst offers that evidence in a new report that questions the grants' value.

"The purpose of dropout prevention grants is to raise the graduation rate," said report author Terry Stoops, JLF Education Policy Analyst. "That's why it's troubling to see declining graduation rates in 27 of the 38 districts that received grants last year."

State lawmakers voted this summer to add another \$15 million to the initial \$7 million pool for dropout prevention grants. A reauthorized state Dropout Prevention Grant Committee met Sept. 16 to discuss plans for awarding the new grant money.

"The dropout problem is one of the state's worst education challenges, but these grants don't seem to offer much help in addressing the problem," Stoops said. "While there was a slight increase in the statewide 2007-08 graduation rate, the average graduation rate among grantee districts fell from 71.4 percent to 68.8 percent. That's an average decline of 2.6 percent."

CJ

N.C. Lawmakers Quiet on Abortion Bills

By DAVID N. BASS
Associate Editor

RALEIGH

The 2007-08 session of the General Assembly adjourned with half a dozen pro-life bills left on the table, but states neighboring North Carolina considered or passed several similar bills during the same period, making the Tar Heel State a standout in the Southeast in blocking debate on abortion-related measures.

Legislators introduced seven pro-life bills during the session, but only one, a "choose life" specialty license plate bill, was voted on in committee. The others — among them a bill recognizing a separate, unborn victim in the event of a violent crime against a pregnant woman — never came up for a vote.

That trend has held true for the past five sessions, with pro-life bills lying dormant in committee. During that time, lawmakers approved only one provision restricting abortion: language included in the budget each year that reserves the state abortion fund for women who are the victims of rape or incest or whose lives are endangered by a pregnancy.

"Not a single substantive pro-life bill has been heard in committee since 1997," said House Minority Leader Paul Stam, R-Wake.

His counterpart in the Senate, Minority Leader Phil Berger, R-Eden, said Democrats are "killing" legislation supported by most North Carolinians. "They're afraid of taking a vote on something that's popular with the people, but not with the leadership," he said.

Rep. Deborah Ross, a Wake County Democrat, said leaders in the Assembly haven't brought up abortion-related bills because of consensus challenges. "Even if they get heard in committee, there is a lot of controversy," Ross said.

She said Democrats aren't getting their way on pro-choice bills, either. "It would be inaccurate to say that only one side hasn't gotten what it wants. Neither side has gotten what it wants."

Surrounding states active

South Carolina has been among the most active of North Carolina's neighboring states in considering and passing pro-life bills. Republican Gov. Mark Sanford in May signed into law a bill that requires physicians to offer a pregnant woman an ultrasound image of her unborn child before an abortion. The state House and Senate approved the bill in 2007 by wide margins. A similar bill was filed in the N.C. House, but it was never brought up in committee.

S.C. legislators also passed an unborn victims of violence act in 2006 and a "choose life" license tag in 2001. The governor signed both measures into law.

Lawmakers have introduced comparable bills in North Carolina in past sessions. The House Transportation Committee approved a bill authorizing a "choose life" license tag in May, but the measure died in another committee. The unborn victims of violence bill never got a hearing.

In Virginia, the state House and a Senate committee passed an informed consent to an abortion bill this year, and the legislature debated and voted on a number of other pro-life bills.

Georgia in 2005 also passed informed-consent legislation, which Gov. Sonny Perdue, a Republican, signed into law. N.C. lawmakers have introduced consistently during

the last decade an informed-consent law that's never been considered in committee.

The Tennessee General Assembly has been less active in considering abortion-related bills, although the state Senate in January considered and passed a resolution in support of a constitutional amendment clarifying that nothing in the state constitution secures the right to an abortion. The resolution died in a House committee.

No debate, no vote

"Our surrounding states have different rules for their legislatures," said Ross when asked why committee leaders in North Carolina hadn't allowed debate on abortion bills. "We have crossover deadlines and short session rules, so we follow them. Under Speaker Hackney, we follow them much more than we ever have."

Ross chairs the House Judiciary I Committee, where the unborn victims of violence bill was assigned last session. A poll commissioned by the Civitas Institute in April found that 82 percent of respondents, all registered N.C. voters, agreed that a perpetrator should face two charges for the murder of a pregnant woman and her viable fetus.

But Ross said such bills are too controversial. "In my committee, we had well more bills than could be

heard, so you deal with the bills that have consensus first," she said. "There were a lot of bills sponsored by Democrats that never got heard, because they were controversial and not ready."

Rep. Andrew Brock, R-Davie, a frequent sponsor of pro-life legislation, said Democrats are "playing up to the far left" by stonewalling debate on bills such as the unborn victims of violence act.

"The leadership needs to realize that with the cases we've had in North Carolina over the last year, it makes us look terrible not passing this law," he said, referring to the recent murders of pregnant women like Lance Cpl. Maria Lauterbach and Army Spc. Megan Touma.

"You would think that we, being in the Bible Belt, would take the lead on these issues," said Rep. Mark Hilton, R-Catawba, another sponsor of pro-life bills. "I don't think the current leadership reflects the current values of this state."

'Slapped down'

As an example of pro-choice legislation that she says was stymied in the N.C. legislature, Ross pointed to a bill introduced last year by Rep. Susan Fisher, D-Buncombe, that would have overhauled North Carolina's abstinence-until-marriage law in public schools and replaced it with one mandating contraception-based curricula.

The House Health Committee passed the bill without prejudice to the House Education Committee in May 2007, but no further action was taken. Companion legislation in the Senate was not considered, either. Fisher declined to comment for this article.

"Poor Susan got a hearing and was slapped down on her bill," Ross said. "It's all just part of the process when you have closely divided houses, and you have controversial issues that are harder to get through."

She said officials of Planned Parenthood, the nation's leading abortion provider and advocate of the switch to contraception-based sex education in North Carolina, were upset that more "choice-oriented" bills were not getting heard.

"They are p----d," she said. "They come into my office all the time and ask why we can't get our things through." CJ



McCain strengthened, polls say

Media Feeding Frenzy Doesn't Dampen Palin Enthusiasm in N.C.

BY KAREN WELSH
Contributing Editor

RALEIGH
It's been a media-driven feeding frenzy since Alaska Gov. Sarah Palin was nominated in early September as the Republican vice presidential running mate for John McCain.

Although political sharks have been circling with reports on her religious beliefs, unwed pregnant daughter, and policy decisions, Palin has made a splash since taking public office in the 49th state. Although she has left some voters scratching their heads, it appears the gun-toting huntress, lifetime, card-carrying National Rifle Association member, avid fisherwoman, and sports-minded mother of five has captivated the public's interest in a positive way.

This includes the battleground state of North Carolina.

"The South is full of strong, independent women," said U.S. Sen. Elizabeth Dole's press secretary, Hogan Gidley. "She can hunt, she can fish, and she's also a mother. She's a hard worker and a strong woman of faith. She believes in something bigger than herself, and that's important. The women in the South can relate to her."

U.S. Rep. Sue Myrick, R-N.C., said McCain's choice to include Palin on the ticket upset the media's apple cart. "They had something else planned for the upcoming weeks," she said. "Now they have tons of people in Alaska doing research, trying to get something on her."

U.S. Rep. Virginia Foxx, R-N.C., said Palin is a favorite with voters from North Carolina and lends credibility to McCain because she speaks straight



Alaska Gov. Sarah Palin, Republican vice presidential nominee

from the heart.

"I think we are very fortunate to have her on the Republican ticket and to have her serve," she said. "I think she's the best thing that's happened to the Republican Party in a long time. She's from a small town. She is a real person that people can identify with us. She's very relatable, and politics haven't changed her. I haven't met anyone in North Carolina—both men and women—who don't have anything but positives to say about her."

It's showing in the polls.

Recently, Public Policy Polling, a

nonpartisan entity, surveyed more than 600 voters in the state and found Palin has stirred stronger support than her Democratic counterpart, Joe Biden.

The GOP ticket took a big jump from a poll taken a month earlier, which showed many of the state's residents ambiguous about their vote.

"I think that Palin is having a positive effect," said PPP Communications Director Tom Jensen. "The number of undecided white voters went from 11 percent to 5 percent, and they are voting for McCain."

Jensen reported that 42 percent of those surveyed said the nomination of Palin made them more likely to vote. "Right now, McCain has a strong advantage," he said. "I don't think Obama has a chance in the state unless black and younger voters show up."

In a recent teleconference, U.S. Sen. Richard Burr, R-N.C., said that the McCain-Palin ticket has generated strong appeal among the grass-roots conservative base and that the duo is a "perfect fit for the state."

Dole, R-N.C., said her constituents are satisfied with Palin because she's a determined reformer and a strong maverick willing to shake up the status quo in Washington, D.C.

Dole said Palin also has a pleasing personality and is also a feisty, bright, and politically experienced candidate who is willing to stand up for reform, even if it has to happen inside the Republican Party.

Dole said it doesn't hurt that Palin is female. "John McCain's selection was a surprise to me," she said. "I think it's a very strong ticket. It's great to see a woman on the ticket. It's a first, certainly."

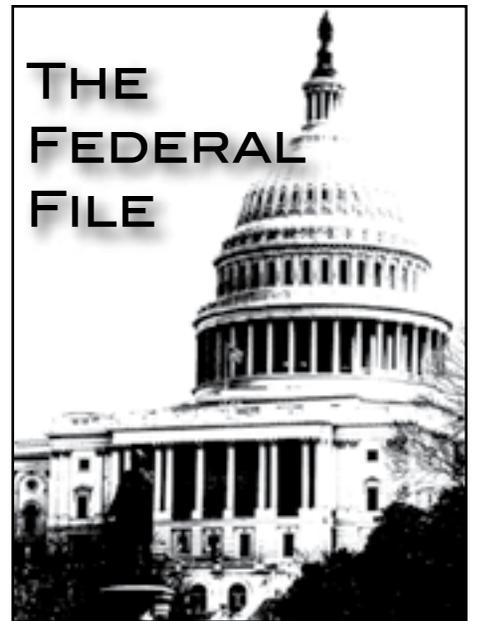
Not everyone is buying into Palin, though. U.S. Rep. Melvin Watt, D-N.C., said that her nomination came out of left field, that he's hoping the Palin fever sweeping North Carolina and the rest of the country will quickly subside, and that women, especially, will vote directly on the issues.

"I was surprised when she was nominated," he said. "I didn't know anything about her. And, when I found out more about her, I am still surprised at why anyone would vote for her. As for the polls, I certainly hope it's a temporary phenomenon that is driving the numbers. I wonder if anyone is going to wake up to the reality of the situation."

A small sampling of state voters reflects mixed assessments of Palin.

Carol Morse, 28, a designer at Lark Brooks in Asheville, feels much the same way.

"I believe Sarah Palin was chosen simply because she is a woman," she said. "I resent that choice. She is still a social conservative who doesn't of-



fer any change, just more of the same simple and close-minded beliefs. Her stance on same-sex couples, abortion, and resource exploitation in Alaska are beliefs I cannot back up."

Anika Anand, 20, a junior at the University of North Carolina at Chapel Hill, said that although she is excited to vote in the election, she remains confused on the issues and undecided about Palin.

"The 24-hour American news has made me extremely cynical about this election," she said. "I don't know which statements to believe from either candidate at this point. My doubts about Sarah Palin are not in regards to her experience. If those were my only doubts, then I would vote easily McCain-Palin over Obama-Biden."

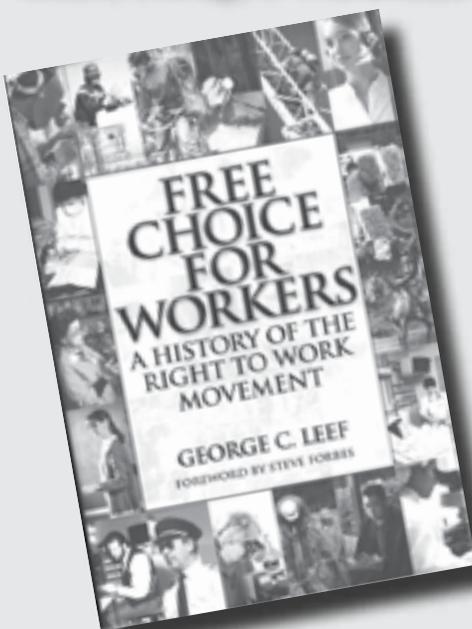
"I'm not opposed to Sarah Palin. I feel that I don't know enough about her. I am concerned about some of her social stances that just seem so hypocritical and not well thought out. It doesn't bother me that she has a pregnant teen-age daughter, but it does bother me that even after that she has said she doesn't support sex education or abstinence education in schools," Anand said.

"I wish I had learned more about her before she had been nominated as the vice presidential candidate. Maybe then I would have gotten the full, unbiased, accurate story," Anand said.

Melanie Mansfield, 35, a professional photographer from Kinston, disagrees.

"Her no-nonsense approach to politics is refreshing, and what she lacks in foreign policy experience, she more than makes up for in determination and a willingness to actually represent the people instead of special interests," said Mansfield. "Stats and background information on other countries can be learned really quickly, but the inner fight to stand up for what is right is either something you have or you don't — and she does." CJ

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



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

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

Robert Huberty
Capital Research Center

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

Mellor: It's Easy for Supreme Court Decisions to Curtail Freedom

RALEIGH—William Mellor, president and general counsel of the Institute for Justice, recently discussed his book, *The Dirty Dozen: How 12 Supreme Court Cases Radically Expanded Government and Eroded Freedom*, with a John Locke Foundation Shaftesbury Society audience in Raleigh. He also discussed the U.S. Supreme Court's worst decisions with Mitch Kokai for Carolina Journal Radio. (Go to <http://www.carolina-journal.com/cjradio/> to find a station near you or to learn about the weekly CJ Radio podcast.)

Kokai: So why compile this dirty dozen of the worst Supreme Court decisions?

Mellor: The Supreme Court, through the 12 decisions that we discuss in our book, has effectively amended the Constitution with profound implications for all Americans. What that means is that government as a result has radically increased, and individual freedom has been radically diminished. The thing is, these decisions, as important as they are, are virtually unknown by most Americans. Some of them occurred decades ago during the New Deal. Others were more recent but oftentimes involved obscure facts or complicated issues that didn't really make themselves clear at the time just how important — sweeping — implications those cases would be. We wanted to tell that story.

Kokai: Unfortunately, there are far more than just 12 bad Supreme Court decisions. How did a case make it onto the dirty dozen?

Mellor: We surveyed 75 of our colleagues in the legal field — practicing lawyers, scholars, academics — and asked them to basically nominate cases for the dirty dozen. Interestingly enough, of those efforts we got about nine, maybe 10, cases that continually got at the top of people's lists because there are some that are just so obviously wrongly decided and that had terrible implications. The other couple we added because we thought they really were very bad and also helped illustrate the point we were making about just how easy it has been for the Supreme Court to change the Constitution.

Kokai: You and your co-author, Robert Levy of the Cato Institute, compiled these, and those who have looked through the book have seen that there are the 12 cases themselves and then some others that you call "dishonorable mention." How is it helpful for people who are interested in the Constitution — in the way that it should work — to see all of these together in print and to see how the Supreme Court has acted?

Mellor: There is a story here, and it

"The Supreme Court, through the 12 decisions ... has effectively amended the Constitution with profound implications for all Americans. What that means is that government as a result has radically increased, and individual freedom has been radically diminished."

William Mellor
Institute for Justice



is a story that is informed by both the history and the reasoning employed by the court. What you understand when you see that story and read it from beginning to end is that it is very important what kind of philosophy the court exercises when it issues decisions. Is it a philosophy that is driven by adherence to the Constitution and to the limited government that the Constitution establishes, or is it a much more expansive view of government that ushers in all kinds of mischief simply because the Supreme Court wants to address a particular social issue or a particular crisis of the moment and in doing so basically gives the government a blank check? That has happened in everything from the Contracts Clause to the General Welfare Clause, the Takings Clause, the Due Process Clause. Time and again the words of the Constitution ... you can look at them, and they are the same as they always have been, but their meaning has been profoundly changed.

Kokai: You mention the philosophy, and some of those who are used to listening to this show may think that you are espousing a particular conservative philosophy. But reading the book, you are not talking about a liberal or a conservative philosophy. It is more of a philosophy of following what is actually in the Constitution.

Mellor: That is exactly right. We call for judicial engagement, not judicial restraint and not judicial activism, which are the two terms that typically characterize the debate over judicial nominations. We think it is vital that the court be engaged in a principled and consistent way that enables it to undo the damage that it has caused to the fabric of our Constitution and the rights that we should enjoy.

Kokai: We are not going to have time in this interview to get through all 12 cases. Is there one or maybe a couple

that are the dirtiest of the dozen?

Mellor: Well, I'll illustrate with two, one of which radically expanded government in the way that the Supreme Court decided it and one of which dramatically reduced individual freedom. The case of *Helvering v. Davis* is a case that most people have never heard of, even if they've gone to law school. It upheld the Social Security Act back in 1937. Now in doing so, it not only ushered in that huge social welfare program, it explicitly enabled the Congress from that moment forward to exercise its taxing and spending authority to redistribute wealth in this country in any way that Congress sees fit.

Since that time there has never been a program Congress has passed to redistribute wealth that has been struck down by the court.

The personal liberty side of things is best illustrated by a more recent case, *Kelo v. New London*, which many people may recall came down just a couple of years ago from the Supreme Court, in which they upheld the authority of government to take any home or business from a private owner and give it to another private party only on the justification that the new owner would perhaps create more jobs or higher tax revenue from their use of that property than the current owners. That was never contemplated by the Founders.

Kokai: You mentioned in a recent speech to the John Locke Foundation's Shaftesbury Society that the Founders, if they saw the way that the Supreme Court has gone, they would be flabbergasted. They would never have imagined that the Constitution they put together would turn out the way it has.

Mellor: That is exactly right. The Founders, whether you look at James Madison or Alexander Hamilton, both of whom had very different views of the role of the national government,

but both of whom thought that the court would never exercise this kind of radical transformation of the governing institutions that they so carefully — that the Founders so carefully — worked to create through the Constitution and the constraints that were imposed on government through that precious document.

Kokai: One of the things that will be interesting to people who read all the way through to the end is that after the 12, you actually put a couple of cases in there that are highly publicized, everyone knows something about them, but you did not include them in the dirty dozen. Why talk about both *Roe v. Wade* and *Bush v. Gore*?

Mellor: *Roe v. Wade* was wrongly decided. It is the textbook example of judicial activism and judicial overreach, and that is pretty much accepted now I think by both Right and many on the Left, even if they like the result that *Roe* came up with. However, the point that we are trying to make in this book is that the decisions we are looking at are those in which the court took a constitutional provision, twisted it on its head, and in doing so radically expanded the reach of the executive and the legislative branches. *Roe* doesn't do that. *Roe* ends up being a policy call that the court never should have exercised. It should have better been left in the political branches, but it did not override that in the same way by expanding the government authority that we are talking about.

Bush v. Gore is a more difficult case, but basically that is one in which the court got it right, and we feel that again the implications, though they have had tremendous animosity created in the political process as a result of that amongst Democrats, it did not have the pernicious consequence of radically expanding government in the way that the other cases we selected did.

Kokai: Now one possible outcome from writing this book is that people like me can read it and get angry again about the way the Supreme Court has acted. But what do you hope happens now that you have put together this book?

Mellor: We hope that going forward as judicial nominations for the Supreme Court and the lower appellate courts are put forward, that there will be a renewed effort to try and have the justice nominees explain a philosophy of jurisprudence and no longer talk in code words, no longer look for candidates that have no record, but to engage that issue. Because the consequences for all Americans are profoundly important, and it is vital that we know what these justices believe and that we put on the court justices who reflect a consistent and principled view of jurisprudence. CJ

Legislators Rush Bill Requiring In-School Voter Registration

By KAREN MCMAHAN
Contributor

On July 16, two days before the General Assembly adjourned the 2007-08 legislative session, the Senate Education/Public Instruction Committee called for an impromptu meeting on the Senate floor to push through last-minute legislation that would require public high school staff to assist eligible high school seniors in completing voter registration forms.

The only way to shorten the process with time running out in the session was to amend a bill that had already passed the House so the language could be replaced and passed in another form with a different title.

Sen. Doug Berger, D-Guilford, proposed amendments to House Bill 359, "Restore Flexibility to the School Calendar," that had passed last year. During the committee meeting, the bill became "Promote Voting by High School Students," which was placed on the Senate calendar for the next day.

In this version of the bill, all public high schools would be required to make voter registration forms available to all students, not just those eligible to vote, and schools would have to make available at all times a sufficient supply of forms.

In addition, the bill would mandate that the State Board of Education modify the high school social curriculum to require "instruction in civic and citizenship education." As part of that requirement, students would be instructed in voter eligibility requirements and how to complete the voter registration form.

The State Board of Education would also "be strongly encouraged" to have students "write to a local, State, or federal elected official about an issue that is important to them" and be instructed on "the importance of voting and otherwise participating in the democratic process."

Local boards of education would become responsible for distributing the voter registration forms "in a timely manner prior to the voter registration deadline for each primary and general election to all enrolled students 17 years of age and older" and to "submit completed forms on the student applicant's behalf to the county board of elections" prior to any election.

Before the bill was brought up in the Senate the next day, Berger had



CJ photo illustration proposed five more amendments. One amendment eliminated the language that only school staff who volunteered would be designated to assist students in completing the voter registrations. Instead, high schools would have to appoint a faculty member. Another amendment would mandate that the State Board of Elections develop training materials for these faculty.

Among the education lobbyists just learning about the bill were Leanne Winner, director of governmental relations for the North Carolina School Boards Association; Susan Harrison, senior administrator with the Wake County Public School System; and Jim Stegall of the Union County Board of Education.

Winner said she and others raised serious concerns about potential liability issues. For example, because school staff would collect and transmit completed voter registration forms to local boards of elections, would the school be liable if some forms got misplaced or lost?

"By having teachers pass out the forms and asking students who would be 18 years old by the November election to complete the form, both teachers and students could be placed in an untenable position," Winner said. "Would the teacher have to verify the information on the forms? If students are illegal immigrants, would teachers be helping students commit a felony?"

Both Winner and Harrison said that students often view teachers and

Bill calls for
'instruction in civic
and citizenship
education' in
all high schools

Continued as "Legislators," Page 10

COMMENTARY

A Case For Performance Pay

Like most states, and unlike most professions, North Carolina's public schools pay teachers based on a uniform salary schedule that rewards experience and credentials. But a growing number of lawmakers and school officials is working to discard the one-size-fits-all salary schedule and implement comprehensive teacher pay programs that attract and reward excellence. The Guilford County Schools is one of the few districts in North Carolina that have embraced this performance pay model.

Under the Mission Possible program, the Guilford County Schools offers recruitment and retention bonuses of \$2,500 to \$10,000 to experienced math and English teachers who are willing to teach in low-performing schools. The school district also awards performance bonuses of \$2,500 to \$5,000 to teachers in low-performing schools who are able to produce above-average increases in student achievement. Twenty-two low-performing schools participated in the Mission Possible program during the 2006-07 school year, and an additional eight schools were included in the program during the 2007-08 school year.

The initial evaluation of the program by the University of North Carolina at Greensboro suggests that the recruitment and performance incentives are working. After its first year of implementation, teacher and administrator turnover has decreased. The percentage of schools that met federal standards increased. Graduation rates increased by more than 10 percent from the previous school year. The school climate, as measured by short-term suspensions and student attendance, improved considerably.

Overall, the percentage of Mission Possible school students that met N.C. testing standards increased slightly from the year before. About half of the Mission Possible schools increased their scores on state tests. Three of the schools had double-digit increases in their pass rate on state tests, and eight Mission Possible schools had double-digit increases in the number of federal performance goals met.

Opponents of performance pay initiatives for teachers often claim that such programs lead to a decline in staff morale and collegiality, thereby lowering student performance. According to data from the 2008 N.C. Teacher Working Conditions Survey, improvements in working conditions among Mission Possible schools generally exceeded district and state averages. Teachers at Mission Possible schools reported improvements in working conditions in four key areas: planning time, facilities and resources, leadership, and professional development. These findings are consistent with a growing body of research that finds little evidence that merit pay programs worsen teacher working conditions. Researchers at the University of Arkansas recently found that a merit pay program in the Little Rock Public School District actually produced a more positive work environment for teachers.

Although the Mission Possible program has been in existence for only two school years, participating schools are making positive gains in improving teacher working conditions and raising student achievement. Of course, it will take several years to assess adequately the impact of the Mission Possible program on teacher working conditions and student achievement. Even so, initial evaluations of the program suggest a promising future, particularly for the thousands of students who are forced to attend low-performing schools in Guilford County.

But there is something larger at stake. Guilford County Schools is one of the first school systems in North Carolina to implement a comprehensive performance pay plan for teachers and administrators. As such, the future of recruitment and performance pay initiatives in North Carolina will be largely dependent on the success of the Guilford County Mission Possible program. It represents one of the most important public school reform efforts in the state. CJ

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



**TERRY
STOOPS**

School Reform Notes

Perdue, McCrory debate

Lt. Gov. Beverly Perdue worked to cement differences with Charlotte Mayor Pat McCrory on public education in a gubernatorial debate Sept. 19, trying to create misgivings about his views on vouchers, community college tuition, and the catch-phrase initiatives of the past 15 years, the *Wilmington Star-News* reports.

"My future for North Carolina moves us forward, and I actually believe the mayor's policies on education are dangerous for North Carolina's working class families," Perdue, the Democratic nominee, said at the televised debate on the campus of software developer SAS in Wake County.

McCrory, a Republican, agreed there were differences and blamed Perdue for being part of a state government that has failed to address the dropout problem, even while she was on the State Board of Education for the past eight years.

But McCrory also tried to dismiss or temper contrasting views by saying Perdue mis-stated his position on some existing education programs.

Perdue scolded McCrory while alleging he said at last week's WRAL-TV debate he wanted to end what the mayor has called "programs that rhyme" — Smart Start, Learn and Earn, and More at Four.

"We were not at the same debate. I did not say that," said McCrory. "What I have said is that the last thing we need is another governor that starts another program and the teachers go 'Oh my gosh, here's another program.'"

CMS not yet screening

More than a year after a teacher's classroom heroin arrest spurred Charlotte-Mecklenburg Schools to pledge better screening of its employees, the district hasn't figured out how to do so, *The Charlotte Observer* reports.

For now, CMS watches its volunteers more thoroughly than its staff. The district checks criminal records when it hires employees or approves volunteers but continues monitoring N.C. arrest records only for the volunteers.

Superintendent Peter Gorman began to plan for ongoing monitoring of employees in June 2007, when an elementary school teacher was charged with having heroin and drug paraphernalia in his classroom. That teacher had cleared an initial background check and was hired. But he was later charged with drug possession in Buncombe County. CMS officials didn't know about the arrest until after the heroin case. CJ

Bill passed at last minute

Legislators Rush In-School Voter Registration

Continued from Page 9

other school officials as persons of authority, so students might feel pressured to fill out the forms.

As President Pro Tem Marc Basnight, D-Dare, prepared to bring the bill up for vote, Berger and his staff hurriedly wrote out two amendments on slips of paper, which were then passed to the clerk.

Observers characterized the process as sloppy. Sen. Jerry Tillman, R-Montgomery, said Senate leaders reminded lawmakers of the importance of being prepared and having drafts available to avoid everyone having to wait. The bill passed the Senate in its amended form, and it was sent back to the House and placed on the calendar for July 18.

At that point Rep. Bill Faison, D-Orange, took charge. The House failed to pass the Senate's version and appointed a conference committee to hammer out a compromise.

Rep. Paul Stam, R-Wake, said he told House Democratic leaders, including Reps. Marvin Lucas, D-Cumberland, and Douglas Yongue, D-Scotland, that he opposed the bill. "They were opposed, too," said Stam, citing concerns over possible coercion, lack of secrecy in the registration process, and school liability.

"High school students worried about good grades might comply with registration to keep from making waves. By collecting the forms, teachers might know how students registered, thus eliminating secrecy. Person A gives the forms to Person B and then to Person C, and some forms never make it to the board of elections. Students go to vote, and they're not registered," Stam said.

Winner said every high school already has registration forms available in a central location. Winner said Key Clubs and other school clubs often register eligible students, so "I don't understand the point. Why require schools to report data on the number of forms distributed and the number completed?"

Harrison said she and others tried to work with Berger and Faison so schools could implement the bill without it having "unintended consequences, but there was no time for debate in the committee or to solicit input from schools and others."

"Voter registration in schools is absolutely a good thing. Our state has low voter turnout, usually only 15 to 20 percent, at best," Faison said.

When asked about concerns over the bill, Faison said, "The lobbyists weren't just a bit concerned, they went ballistic. They don't complain about the legislation. They just make up a story about something that might happen. No sane person could find a problem

Democrats Berger and Faison say voter registration in schools is a good thing, but Republicans who opposed the bill said they were concerned that students worried about grades could be coerced by teachers

in that bill."

To illustrate his point, Faison asked, "Schools require students to have a health form, right? Students are required to complete end-of-grade tests, and schools must report the data, right? So what's the difference? It's just a one-page form written at an eighth-grade level that any student with 12 years of schools can read. What's the big deal? It takes 10 minutes out of the school day to get it done, and at some point you have 85 percent of students registered so they can participate in our democracy. That's a good thing."

"They do such good things for schools, but the school board crowd

should be embarrassed for opposing this," Faison said.

Berger's purpose in this bill was to increase the number of students registered to vote.

"I think requiring schools to instruct kids in voting and having schools help with registration is the most American act," he said. "It's the best way to teach students American democratic values, and schools used to do this."

Rep. Harold Brubaker, R-Randolph, agreed with the spirit of the bill, but not with the process or some of the requirements. Although he was not involved in the bill, Brubaker said that Newt Gingrich supports the notion of schools helping register students to vote.

"Motor voter registration was opposed by conservatives and Republicans, but it helped, and I believe conservatives and Republicans would benefit from schools helping students register," Brubaker said.

After the committee meeting concluded, education lobbyists were told that the committee had approved a version with the mandatory participation of school staff intact. However, when the bill was called up during the House session, Faison said they would make only a small correction to the licensing requirements for speech pathologists, one of the amendments the Senate had attached.

When asked why all the voter registration amendments were removed, Faison did not give a reason. Asked whether he would reintroduce a similar bill next year, Berger said he would because he believes it would help increase student civic engagement. CJ

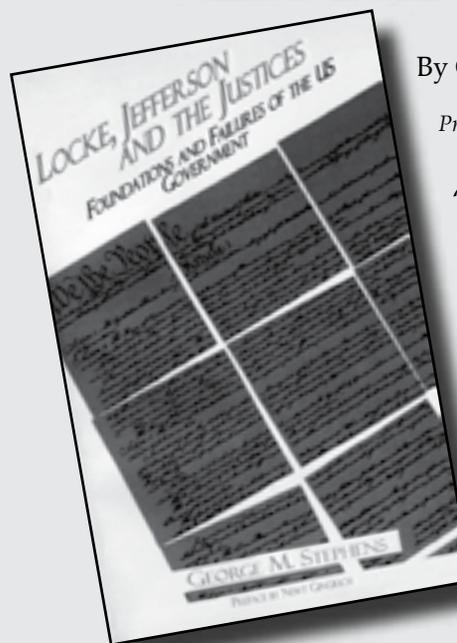
Locke, Jefferson and the Justices: Foundations and Failures of the U.S. Government

By George M. Stephens

Preface by Newt Gingrich

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

Newt Gingrich
Former Speaker
U.S. House
of Representatives



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

Landmark: NEA Not Reporting Full Effort in Political Campaigns

BY KAREN McMAHAN
Contributor

RALEIGH

Since 2000, the Landmark Legal Foundation has called on the IRS, the Federal Elections Commission, and the U.S. Department of Labor to investigate the NEA and its state chapters for possible violations of federal law on political campaign financing activities and reporting.

In July 2001, Landmark, a public-interest law firm in Herndon, Va., filed a complaint with the IRS about NEA and its state affiliates for coordinating political activities on behalf of Democratic organizations and campaigns. As far back as 1994, the National Education Association and its state affiliates failed to report their expenditures for political purposes, as required by federal law.

Activities in North Carolina

In North Carolina, for instance, the NEA has spent a total of \$840,515 as of July 28, 2008, on political campaigns for North Carolina congressional and presidential candidates, according to OpenSecrets.org.

With the exception of U.S. Rep. Walter Jones, R-3rd, all the candidates are Democrats. By far, the leading recipient has been N.C. Sen. Kay Hagan, D-Guilford, with \$7,300; followed by candidate for Congress Larry Kissell with \$6,000; and U.S. Rep. Brad Miller, D-13th, with \$5,300. The total the NEA has spent on federal candidates, House and Senate, throughout the country is \$744,150. Of that figure, \$677,550 has been for Democratic candidates. A total of \$66,600 went to Republicans.

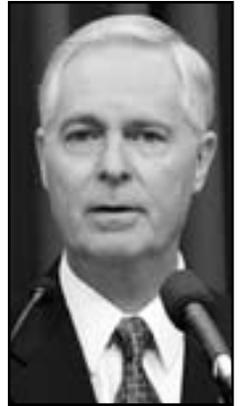
OpenSecrets also reported that the American Federation of Teachers, another national teachers' union, had contributed \$1.24 million to federal congressional candidates as of July 28, 2008. Of this figure, \$1,201,500 had been given to Democratic candidates, and only \$1,000 to Republicans. For North Carolina, the total was \$25,500. Hagan, Kissell, and U.S. Rep. Heath Shuler, D-11th, lead the pack with \$5,000 each.

The figures, however, do not tell the full story. The NEA and other teachers' unions transfer funds to other political organizations, including 527 committees and other political campaigns and committees. The NEA Fund for Children and Public Education, listed as the NEA, has spent \$1,117,287 on funding for political campaigns in 2008. The AFT has transferred \$30,000 to the Democratic Senatorial Campaign Committee, \$5,000 to the Democratic Party of North Carolina, and other groups, making it difficult to tell what is being spent and where.

Chris Hayes, a legislative policy analyst with the John W. Pope Civitas Institute, compiled a list of contributions to both Democratic and Republican candidates by the North Carolina Association of Educators in 2008. Of the \$194,500 given to political committees, \$187,200



The National Education Association (logo shown above) and its state affiliates have traditionally favored Democrats. In July, for instance, the NEA gave N.C.'s Democratic Gov. Mike Easley (right) its "America's Greatest Education Governor" award.



has been for Democrats and only \$7,300 for Republicans. Of individual candidates, N.C. Senate President Pro Tem Marc Basnight, D-Dare, led with \$7,500, while Hagan received \$2,000.

The *Charlotte Observer* reports that the Democratic Senatorial Campaign Committee is spending millions on targeted ads against Republican U.S. Sen. Elizabeth Dole and against Republican gubernatorial candidate Pat McCrory. The Alliance for North Carolina, funded in part by the NEA, has spent \$450,000 on an attack ad against McCrory for his stance on school choice and vouchers.

NEA not reporting activities

The lack of specificity in documents filed with various regulatory bodies obfuscates the actual amount of money being spent by education unions and lobbyists to elect Democratic and other pro-public education candidates at the local, state, and federal level.

Even though the NEA's PAC, a separate segregated fund, is permitted to engage in political expenditures without generating income tax liability, the NEA must report to the IRS any transfers of its own funds to the PAC. Landmark presented evidence in its complaint that the "NEA's political expenditures and activities extend beyond its reported PAC activities and, therefore, beyond the zero dollars it has reported on its last several federal tax returns."

After reviewing NEA filings from 1993 through 1999, Larry Magasek, in an Associated Press article Nov. 24, 2003, said the NEA had stated on "its tax returns that no union dues were spent on politics despite extensive internal memos laying out numerous union-funded political activities."

The complaint further alleged that the organization and its state affiliates had "participated in a coordinated campaign with the DNC and other political groups in order to elect targeted

candidates" (see www.landmarklegal.org for full text of all complaints), yet the NEA failed to disclose fully its non-PAC political expenditures on the required IRS forms. Among the groups identified were the AFL-CIO and the North Carolina Coordinated Campaign.

In 1996, the Coordinated Campaign, financed by the NEA and its North Carolina affiliate, was coordinated and governed by members of the North Carolina State Steering Committee, of whom officials from the North Carolina Association of Educators were members, as was North Carolina AFL-CIO President Chris Scott.

Other members of the Steering Committee were representatives of campaign re-election committees for Clinton/Gore, Gov. Jim Hunt, and Democratic members of Congress, including Eva Clayton, Bill Hefner, and Mel Watt,

and nominees for Congress, including Bob Etheridge and David Price.

The complaint alleged that the Coordinated Committee developed a "detailed political guide" that spelled out strategies, goals,

tactics, action plan, and funding. Activities the committee would oversee were voter registration, polling, opposition research, and early voting programs. The committee would create and maintain a database of targeted voters along with their demographic information.

The complaint also outlined the NEA's 2000-02 strategic plan to use tax-exempt resources from its general treasury to engage in all types of political advocacy. Under Goal 5, the NEA earmarked nearly \$5 million to support pro-public education candidates and to create a national political strategy for addressing "congressional and legislative reapportionment and redistricting, campaign finance, candidate recruitment, targeted races, and independent expenditures."

Another federal law requires labor unions, including the NEA, to report

their political activities and expenditures to the U.S. Department of Labor. In April 2002, Landmark filed a lawsuit with the U.S. Department of Labor alleging that the NEA camouflaged its expenditure of tax-exempt teachers' dues and fees on political activities primarily on behalf of the Democratic Party and its causes. By failing to report these expenditures to both federal officials and the NEA's 2.7 million members in sufficient detail to understand how the monies were expended, the organization was violating federal law, the complaint said.

Landmark charged that the pattern of under-reporting or reporting of zero expenditures on political activities extended as far back as 1994. As a result of this complaint and other Landmark Legal Foundation complaints, the IRS launched an ongoing field audit of the NEA beginning in 2004 and the U.S. Department of Labor began investigating whether the NEA had violated federal reporting laws.

In July 2006, the *Milwaukee Journal Sentinel* reported that the Wisconsin Education Association Council, an NEA affiliate, had to pay \$171,091 in federal income taxes because of non-tax-exempt funds it spent on political campaigns in 2000 and 2002.

Landmark's president, Mark Levin, as reported in the *Journal Sentinel*, said, "We're glad we could help them with their accounting, and we intend to help them with their accounting every year from here on out."

Landmark filed a suit with the California Public Employment Relations Board in October 2005 that forced the California Teachers Union to "offer full refunds to non-union, fee paying teachers for a special \$60 per teacher assessment the union [was using] to fund a \$50 million campaign to defeat ballot initiatives in the November 5 special election."

When asked about recent events, a Landmark spokesperson said that the NEA's 2007 audited financial statement showed the organization had set aside a substantial sum of money for additional tax liabilities, but Landmark has been unable to learn what prompted these liabilities. A *CJ* phone call and e-mail to the NEA were similarly not returned. *CJ*

NEA has given
10 times more funds
to N.C. Democrats
than to Republicans
in the current cycle

State School Briefs

Wake schools confusion

Thousands of Wake County parents don't know whether their children still will be on a year-round calendar next year or back on a traditional schedule, *The News & Observer* of Raleigh reports.

Their lives became more uncertain in mid-September when the Wake County School Board asked the staff to look at switching back some of the 22 schools that were converted to a year-round calendar.

Some parents are cheering the possible calendar change, while others are upset. But for everyone, it represents a major unknown in their family's lives.

"We'll have to deal with it the best we can," said Joni Bailey, PTA president of Knightdale Elementary School, a converted school. "With Wake County, things are always uncertain."

There are far more questions than answers right now:

- How many schools are under consideration?
- Will any schools be put back on a traditional calendar?
- Would the schools be switched next year or later on?
- Will conversion be tied to passage of a bond issue for school construction?

The conversions are back on the table because the school board is working on what could be part of a bond issue that could go on the ballot in 2009. The board wants to know how switching some schools back would affect the bond issue.

Crowded Guilford schools

Crowded schools were hot topics during the Guilford County Board of Education's fall retreat in September, the *News-Record* of Greensboro reports.

Debate about how to deal with crowding at Northern Guilford Elementary, Northern Middle, and Pearce Elementary led to redistricting discussions. The schools have tried quick fixes, such as moving teachers out of their rooms during their planning period to bump up capacity ratings with the state, but those can only go so far.

The board told staff members to come back a week later with recommendations on long-term solutions. Those could include adding mobile or "trailer" units and capping enrollment at each school.

The board also asked the staff to consider how redistricting could affect the situation, for better or for worse. Policy requires the board to commit to a districting plan for four years. They would have to rewrite or amend that policy to make changes to the current districting plan. CJ

\$7.5 billion annually in N.C.

Study: HS Non-Graduates Cost Society

By JANA BENSCHOTER
Contributor

GREENSBORO

Earning a high school diploma yields obvious rewards for an individual receiving it, but failure to graduate saddles taxpayers with unwanted expenses, a study concludes.

Public schools in North Carolina graduated 76,456 students in the 2007-08 school year, according to the N.C. Department of Public Instruction in a report issued in July. That equates to a 70 percent graduation rate — and a 30 percent dropout rate. The total number of students eligible for graduation in 2007-08 was 109,163 students.

Looked at by gender, females graduated at a higher rate than males — 74.3 percent for females, and 65.9 percent for males. By race, 12.8 percent more white students graduated than did black students from high schools. A total of 75.3 percent of white students graduated, while 62.5 percent of black students graduated.

Of the state's four largest school systems, Guilford County Schools reported the highest graduation rate, at 79.5 percent. Coming in second was Forsyth County Schools, at 70.8 percent, followed by Charlotte-Mecklenburg Schools, at 66.6 percent. Of the larger school systems, Chapel Hill-Carrboro Schools claimed the highest graduation rate, at 87.9 percent.

Gov. Mike Easley dubbed one week in September "Graduation Awareness Week," in which the top schools making the most academic progress of graduating seniors were acknowledged by state Superintendent June Atkinson.

The top 10 school districts in order by graduation rate were: Elkin City Schools, 89.4 percent; Chapel Hill-Carrboro Schools, 87.9 percent; Pamlico County Schools, 85.5 percent; Dare County Schools, 85.3 percent; Camden County Schools, 81.8 percent; Alleghany County Schools, 81.6 percent; Catawba County Schools, 81.2 percent; Newton-Conover Schools, 81 percent; Mount Airy City Schools, 81 percent; and Ashe County Schools, 80.9 percent.

Eight schools heralded a 100 percent graduation rate, according to DPI. They were: Burke Middle College in Burke County, Nantahala School in Macon County, Weaver Education Center in Guilford County, Greensboro Middle College in Guilford County, Early College at Guilford in Guilford County, Highland School of Technology in Gaston County, Reid Ross Classical in Cumberland County, and Cape Hatteras Secondary in Dare County.

"High school graduation is a minimum goal today. It's the basic level of education that adults need, but too many of our young people are not getting that minimum. My message to students is simple. Graduate from high school, and be ready to chart the course you want for your life," Atkinson said in a news conference.

But that message isn't so clearly heard by all students who walk the halls of the more than 2,000 public schools in North Carolina. A study prepared by Brian J. Gottlob released in October 2007 pinpointed several areas where the graduation,

as well as dropout rates, highly affect society in the future. Gottlob wrote in the study, "Across the nation states are acknowledging a crisis in high school graduation rates."

Many individuals who do not graduate from high school probably will not contribute to society, the study noted. Gottlob detailed that dropouts reduce annual earnings in North Carolina by \$7.5 billion; dropouts decrease state tax revenues by at least \$712 million annually; dropouts are more likely to rely on Medicaid, increasing the state's Medicaid costs by \$155 million each year; and dropouts are twice as likely to be incarcerated.

Advocates trying to find the answer for boosting the entire state's graduation rate are opting toward creating a more competitive environment between public schools and private schools. A study done by Thomas Dee, associate professor of economics at Swarthmore College in Pennsylvania,

found that most studies of the relationship between competition and public school graduation rates "dramatically underestimate the effect of competition from private schools on the rate of high school completion in public schools." His results indicate that an increase in the "percentage of students enrolled in private schools equal to one standard deviation, or about 3.9 percentage points of total enrollment in North Carolina, is associated with a 1.7 percentage-point decline in public school dropout rate overall and a 3.4 percentage-rate decline in public school districts where at least 20 percent



of students are non-white."

Only 7 percent of N.C. students are in private schools, according to DPI. The percentage is relatively low compared to other states. The study written by Gottlob states that even a "modest school choice program (educational voucher) would reduce North Carolina dropouts by up to 5,483 each year, saving up to \$25 million annually."

Gottlob reported that "most states and school districts significantly understate the problem of students failing to graduate from high school. Until recently, independent estimates by several educational institutes noted the large discrepancy — as high as 33 percentage points — between North Carolina's official dropout rate and independent calculations of its dropout rate."

"The independent estimates of high school dropouts in North Carolina placed the state's overall graduation rate between 64 percent and 71 percent," Gottlob reported.

Graduating from high school is not just something to think about, it's something to strive to achieve, Atkinson said.

"That message to students is only one part of the equation. Schools and communities need to ensure that they are supporting students and their families and eliminating barriers to school success. Research shows that students benefit from smaller learning environments, opportunities to build relationships with their teachers and adult leaders in their schools, rigorous and focused academics and support that helps them overcome setbacks in their school career," Atkinson said in a press release. CJ

Change in Board of Governors' Leadership Could Signal Major Shift in Panel's Direction

By JAY SCHALIN
Contributor

RALEIGH

The start of Hannah Gage's term as chairwoman of the UNC Board of Governors might signify a major shift in direction from the tenure of her predecessor.

While former Chairman Jim Phillips was the driving force behind the creation of a grand, expansionary blueprint for the future embodied by the UNC Tomorrow Commission, Gage called for a new focus on operations and "getting our fiscal house in order" at the first board meeting of the new school year Sept. 12.

Gage said that the rapid growth over the last few years has been accompanied by growing operational problems. "What started as a few isolated accounting errors has become an all-too-familiar pattern," she said. "Audit findings, accounting errors, financial aid problems, grant problems — the list goes on."

The chairman of the board's audit committee, Frank Daniels Jr., said state auditors uncovered 55 infractions at University of North Carolina campuses last year, an amount he termed "absolutely unacceptable." In the last two years, there have been a major financial scandal at N.C. A&T, improperly awarded IT contracts at UNC-Greensboro, and a myriad of other problems.

"We need to fix things," Gage said. "We can't continue to go to Raleigh to ask for funding when it appears we can't manage what we have."

The audit violations, while serious, were overshadowed at the meeting by two highly publicized controversies arising from management failures.

One management fiasco is an



Board of Governors Chairwoman Hannah Gage with UNC President Erskine Bowles at the BOG's Sept. 12 meeting. (CJ photo by Don Carrington)

unauthorized satellite campus of N.C. Central University at a suburban Atlanta megachurch. The campus did not receive proper approvals by the administration or trustees. It was not accredited by the regional agency that certifies NCCU programs, and its students were therefore ineligible for federal financial aid. NCCU must reimburse the federal government for the aid they received. The amount is yet to be determined.

UNC system President Erskine Bowles did not spare the administrators responsible at the meeting (without mentioning them by name). He alluded to possible cooperation with law-enforcement officials should criminal behavior surface. He also said the university system would "do the right thing by the 125 affected students."

The unauthorized campus pre-

dated Bowles and the current NCCU chancellor, Charlie Nelms. A controversy over the employment of Gov. Mike Easley's wife at N.C. State is of more recent vintage, however, and is more highly politicized. Mary Easley was hired by provost Larry Nielsen in 2005 on a part-time basis at a salary of \$80,000 per year. Her duties consisted of running the school's Millennium Seminars lecture series, featuring high-profile speakers, and teaching several courses per year.

Mrs. Easley's pay was \$90,300 on July 1, 2008, when she received an 88 percent raise to \$170,000. However, university system rules require that all pay raises greater than 15 percent or \$10,000 be approved by the Board of Governors beforehand, and N.C. State had failed to seek approval. It was found that the school had been neglecting the rule since 2002, and a subsequent review of more than 1,000 raises revealed another 34 violations.

N.C. State officials said they misinterpreted the rule. The university was the only school of 16 in the UNC system to do so. Bowles suggested that the school's failure to comply was "an honest mistake," adding that "there is not a shred of evidence to suggest there was any attempt on N.C. State's part to circumvent the Board of Governors' rules." Mrs. Easley's new position and salary were approved unanimously by the board.

These two incidents, while serious, are likely to run their course without triggering major changes. Gage's suggested change of directions, however, could have long-term implications. Gage, who will head the Board of Governors for the next two years, said that "now might be the perfect time to put on the brakes." CJ

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

Campus Briefs

Students at UNC-Chapel Hill will no longer find themselves totally at sea as they attempt to choose the "general education" courses — 51 hours of required electives. The John W. Pope Center for Higher Education Policy has issued a report identifying which general education courses, and professors, were ranked highest by students.

Selected by 270 UNC-Chapel Hill students and recent graduates, the recommended courses had to meet the criteria of being interesting and intellectually rigorous, with faculty who were unbiased and open-minded. The survey elicited recommendations of 18 professors in introductory courses in English, psychology, biology, political science, economics, history, philosophy, drama, music, religion, and geography.

The aim of the survey, directed by Jenna Robinson, the Pope Center's campus outreach coordinator, was both to demystify the process of finding high-quality general education classes and to counter the intrusion of politics into education that occurs at times at UNC-Chapel Hill. The Pope Center is now conducting a similar online survey at N.C. State.

Choosing which classes to take is a perennial challenge at UNC-Chapel Hill. It is particularly difficult for freshmen and sophomores, who must select "general education" requirements from more than 2,000 possible choices. In essence, students are expected to create their own "core curriculum."

Participants in the survey were self-selected through online advertisements in the *Daily Tar Heel* and Facebook. They took the online survey between Jan. 1 and April 15.

The names of the professors and their courses were published in the *Daily Tar Heel*. Jenna Robinson told the *Daily Tar Heel* reporter that she hoped the recommendations would encourage students to take those courses.

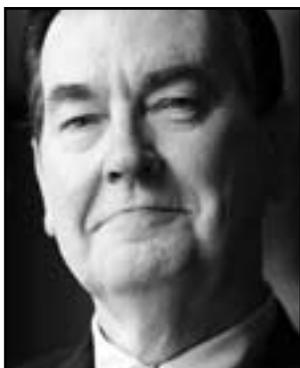
The survey was adapted from a questionnaire conducted by the American Council of Trustees and Alumni. The Searle Freedom Trust, a nonprofit foundation, supported the project.

In addition to asking whether the faculty member was unbiased and open to student viewpoints, questions on the survey also address academic rigor, the professor's availability during office hours, and whether the course materials are interesting. CJ

Compiled by the staff of the John W. Pope Center for Higher Education Policy.



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COMMENTARY

College Rankings: Good and Bad News

For years, the *U.S. News & World Report* "best colleges" list has lured parents and potential students into judging schools by a single number — a school's placement on a list compiled by *U.S. News*. But the idea of a single numerical list that ranks colleges is breaking down.

Not everyone agrees that we should have such lists at all. George Leef, the Pope Center's director of research, recently wrote that ranking colleges "means just as much as if a restaurant critic went around New York's restaurants and ranked them according to his tastes. You might enjoy a meal at Applebee's much more than one at his top eatery."

I agree — and that's why I prefer the more detailed information provided by the Princeton Review (it does rank schools, but on many different dimensions). But people love "bests" and "worsts," so rankings are likely to stay around awhile.

The chief trouble with the *U.S. News* list is that it's based mostly on reputation, quality of students, and resources, not on the actual education provided to incoming students. So to my mind shaking up the rankings is a good idea.

Forbes magazine issued its own college ranking system this summer, shortly before the famed *U. S. News* list came out.

Designed by Ohio University economist Richard Vedder, the list is based on outcome measurements rather than reputation or inputs such as the amount spent for faculty. Vedder's measurements are debatable, though. For example, he uses *Who's Who in America* to find a sample of successful graduates; yet this is far from a scientific sampling of successful people. He also uses evaluations from RateMyProfessor.com.

But the *Forbes* list does focus on outcomes, so I consider it a plus.

Equally important are changes within *U.S. News*. For one thing, it added another list — a list of "up-and-coming" schools.

Keep in mind that *U.S. News* already has multiple lists. There isn't a single ranking. It has two

"top" lists — the "national universities" headed by Harvard, Princeton, and Yale — and the "liberal arts colleges" headed by Amherst, Williams, and Swarthmore. And then it has regional rankings, rankings of master's universities, and rankings of baccalaureate colleges. It offers a list of "A+ Schools for B Students" and a list of the best historically black colleges.

By adding "up-and-coming" schools — schools that don't rank at the top of the other lists and thus get ignored — *U.S. News* implicitly acknowledged that the big lists are getting stale. The "up-and-comings" are supposed to be colleges that have made "striking improvements or innovations."



JANE SHAW

I'm not so sure about this list, either. Reputation dominates. The top national university was George Mason University, which zoomed to fame because of its surprise success in the NCAA basketball tournament in 2006. The highest-ranked liberal arts college was Davidson College, which echoed George Mason's basketball success in 2008 by reaching the Elite Eight. Is that why they are up-and-coming?

The second change at *U.S. News* was to survey guidance counselors at academically-oriented public high schools for their views of the best colleges and universities. One likely reason for this new survey is that college presidents are declining to take part in the ranking process.

Only 51 percent of college administrators returned the "reputation" survey sent by *U.S. News*, says an industry newsletter, Inside-Highered.com.

All these are signs that the assumption that colleges can be ranked from 1 to 100 on the basis of reputation and expenditures is losing credibility. I'm hopeful that newer assumptions will get us closer to the goal of helping each student find the right school. CJ

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

UNC Leads in 'Quiet Revolution' Of Offering Course Credit Online

By JAY SCHALIN
Contributor

RALEIGH

A quiet revolution has been occurring in higher education. Online education was once scorned as a substandard alternative to so-called "real colleges" and is still downgraded by many interested parties, particularly in the business world.

For instance, in a 2006 study by Jonathan Adams of Florida State University and Margaret H. DeFleur of Louisiana State University, 96 percent of companies surveyed said they preferred candidates with traditional, classroom-based degrees over those with online degrees.

But the "real colleges," particularly large state universities like the University of North Carolina, are now leading an explosive growth of online learning. Their participation is likely to give Web-based education the respectability and acceptance that has so far proven elusive.

According to the 2006 edition of an annual survey on online education by the Sloan Consortium, approximately 3.2 million students took online courses at all levels of higher education — 17 percent of the roughly 17 million students in higher education that year. Many traditional universities do not designate whether a degree is based on the Web or on classroom instruction. And the fastest growing segment of online learning is blended degrees, where students take courses with both types of instruction. (Seventy-five percent of the companies surveyed above said they would prefer a traditional degree over a blended degree.) These trends indicate that the difference in the way the two instructional methods are perceived is likely to diminish.

The growth of online learning has been particularly swift at UNC schools and was a topic of lively discussion at the September meeting of the University of North Carolina Board of Governors. In the 2002-03 school year, UNC students took 53,943 credit hours online. By 2007-08, online credit hours had risen to 289,135, an increase of 463 percent in five years.

In July 2007, North Carolina's university system launched UNC Online, which enables a prospective student to access, from a single Web site, every online course and program offered by UNC schools. In its first year, the site's daily traffic (the number of unique visitors) increased from zero to 22,254.

UNC online programs dominate the "best buy" rankings on "GetEducated.com," a leading information Web site for online programs. UNC-Pembroke's graduate programs in public administration and criminology were the top-rated, while East Carolina earned the top spots for undergraduate business education



Detail of a UNC-NC Web page on distance (online) learning.

and MBAs, N.C. State's graduate program in engineering was rated the best, and so on.

The emergence of online education dovetails with UNC President Erskine Bowles' plan to accommodate anticipated student population growth without physically expanding "brick-and-mortar" facilities. In addition to reducing capital spending, Web-based instruction permits working students to integrate their education better with the rest of their busy schedules. Furthermore, it enables students who cannot feasibly commute to a UNC campus to earn a degree completely over the Web.

Board member Phillip Dixon said that professors have indicated to him that online learning is a "more intimate form of instruction," that instructors actually got to know their students' abilities and level of understanding better through the constant exchange of e-mails required in an online course than by sporadic participation in traditional classrooms.

Another Board of Governors member, Gladys Robinson, said that, as an older student returning to earn her Ph.D. at N.C. A&T, she was "scared to death" upon learning she had to take an online course. However, she soon realized that the ability to play back lectures placed on the Web by the professor "was a real asset," as was the ability to access course materials at her convenience.

The future is certain to include advances in online course delivery. Already attitudes about the quality of online instruction are changing — the Sloan survey said that, in 2003, only 12.3 percent of college chief academic officers rated online learning as superior or somewhat superior to traditional classroom instruction; 42.8 percent rated it as inferior. Three years later, 16.9 percent considered online instruction the better method, while those rating it as inferior had diminished to 38.1 percent. UNChas already made a tremendous commitment to online instruction — someday, it might be the universally preferred method. CJ

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

Opinion

Service-Learning: More of a Fad Than an Academic Experience

Early this year, N.C. State University announced the creation of a campus entity, the Center for Excellence in Curricular Engagement. Its purpose is to spread "service-learning" through the university's curriculum.

Service-learning is based on the idea that a student's formal coursework can be enhanced by the addition of community service work. Its proponents say that blending in "service" with the usual educational material makes for a richer and even "transformative" experience for students.



**GEORGE
LEEF**

Most professors approve of service-learning. The 2008-09 Almanac edition of the *Chronicle of Higher Education* tells us that 84.7 percent of surveyed faculty members agree with the statement, "Colleges should encourage students to be involved in community service activities," while only 19.4 percent agree that "Including community service as a part of a course is a poor use of resources."

Most colleges and universities have jumped aboard this movement since it began in the mid-90s. It makes you wonder how they could have missed something so good for so long — rather as if automobile makers just recently thought of putting rear-view mirrors on cars.

An answer might be that service-learning isn't actually a pedagogical improvement. That is the view of

Towson University professor John Egger. Egger's article "No Service to Learning: 'Service-Learning' Reappraised" appears in the Spring 2008 issue of *Academic Questions*. It is a strong dissent from the widespread support for service-learning.

Egger writes, "[W]rapping a veneer of learning over community service conceals the promotion of a particular social agenda, wastes students' valuable time and other resources, and its learning goal actually weakens students' respect for the processes of social interaction that is conveyed by a good liberal education."

Egger contends that service-learning differs from acquiring useful, work-related information through "hands-on" experience (as has long been the case with traditional student internships). Rather, it aims at making the student feel a sense of obligation for the misfortunes of other people. The goal appears to be "for the student to embrace a philosophical position that would best be identified as socialist or tribal, but that some might prefer to call communitarian...." The "service" component of service-learning, Egger said, "isn't really learning at all," but a means of promoting a political ideology.

That observation helped to explain the tilt that we find on the sorts of service that are acceptable. Auburn University professor Robert Lawson wrote in a personal e-mail, "What if a student wanted to do anti-abortion



counseling services? I have personal knowledge of a student who was told that this kind of thing wasn't 'service.' Meanwhile, I also know students who have done service-learning projects at

Planned Parenthood. ... The reality is that service-learning advocates define service learning to include only those non-profit service activities consistent with a left-wing, progressive world view."

Of course, not every service experience aims at inculcating political views. Some East Carolina University students, for example, fulfilled their service requirements for a health course by devoting 25 hours at the Greenville Food Bank.

Having done some work at a food bank with one of my sons, I know exactly what this student experienced. You spend hours sorting the good food from the bad and bagging the good for consumption by needy people. There is nothing philosophical about it.

The problem is that there is no evident connection between the service work and academic content. ECU's Health 1050 course focuses on "mental, social, and physical health issues in modern society" and it "integrates service-learning to enhance academic achievement, build citizenship skills and civic engagement related to health issues in society." Exactly what does the student learn about any "health issue" sorting sweet potatoes? Similarly, does volunteering with the

Special Olympics or a day-care center, as other students did, educate students about health issues?

Students who take service-learning courses usually have to devote a significant number of hours to the volunteer work, and a substantial amount of class time is spent in "reflection sessions" where students are expected to talk about their service experiences. Is there any real learning in those sessions?

In his new book *Save the World on Your Own Time*, Stanley Fish, by no stretch of the imagination a conservative, says, "I have no objection to internship programs, community outreach, peer tutoring, service learning, etc., as long as they are not thought of as satisfying graduation or grade requirements."

My sense is that service-learning is a fad popular among professors who want to do their utmost to, as Fish puts it, save the world. Compelling students to do volunteer work in order to get their credits makes the professors feel good and might also promote the dearly held belief many of them have that the country needs more government activism to ameliorate inequality.

College leaders ought to insist that professors teaching service-learning courses show that the required service and "reflection" have more than a tenuous connection with the goal of having students master the body of knowledge the course is supposed to convey. Otherwise, service-learning ought to be dropped. CJ

George C. Leef is the director of research at the John W. Pope Center for Higher Education Policy.

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Town and County

Mecklenburg debt policy

Mecklenburg County is considering altering its debt policies after rating agencies warned that the county isn't following its guidelines. The changes won't necessarily involve reducing the amount of future borrowing, *The Charlotte Observer* reports.

Several years ago, the county adopted a debt-per-capita target of \$3,600 per resident and a goal that debt payments shouldn't exceed 16 percent of its operating budget. As of June 30, the end of the last fiscal year, debt stood at \$3,641 per person, while debt payments made up 17.1 percent of operating expenses.

In December, Moody's Investor Service warned that "continuing to exceed this fiscal target could have negative credit implications moving forward."

The county projects per-capita debt will increase to \$4,180 by 2012.

Finance Director Dena Diorio said that despite the warning, the county "is not at risk of losing its [AAA] bond rating. ... But for the sake of transparency, we want people to see the long view and the potential impact (the debt) may have."

To bring the guidelines into sync with the county's already approved debt, the county is proposing raising the debt-per-capita target to \$4,200 and debt payments as percent of budget figure to 22 percent.

Two to incorporate?

Two Buncombe County communities are progressing in their attempt to incorporate. Whether Swannanoa and Leicester become municipalities is now up to the General Assembly, the *Asheville Citizen-Times* reports.

The Asheville City Council recently voted to recommend Leicester's incorporation, clearing a significant hurdle for the proposed town. State law requires that proposed municipalities ask the consent of nearby cities. While the Assembly has the final say, a city voting against recommending incorporation automatically means that the Joint Commission on Municipal Incorporations would recommend the legislature not approve incorporation.

Asheville blessed Swannanoa's proposed incorporation in May. Swannanoa officials submitted their annexation proposal to the commission in September and are waiting to hear back. CJ

Millions Sought For 'Cultural District'

Greensboro group advocating the money already gets tax funds

By SAM A. HIEB
Contributor

GREENSBORO

A Greensboro economic development group, already funded by a tax on downtown businesses, is lobbying city government to spend up to \$14 million to help create a cultural district on the south side of the downtown's commercial district.

The Church Street Investment Strategy, prepared by New York-based HR&A Advisors Inc., was commissioned by Downtown Greensboro Inc., which receives the majority of its funding through a Business Improvement District tax. DGI also receives funding directly from Greensboro.

DGI serves as a marketing entity for downtown and also provides, through a contractor, maintenance services such as graffiti removal.

The report recommends that the city spend \$14 million over 10 years on a series of capital investments on Church Street in order to connect it better with the thriving Elm Street corridor.

Maintaining that "economic development projects come in all sizes, not just job creation," the report outlines a

strategy in which the city "seeks to build upon recent successes by activating development, enhancing the pedestrian experience, and promoting greater vitality east of Elm Street." Such "vitality" would include a strengthened role

of arts, culture, and entertainment in "a network of neighborhoods linked by a Church Street boulevard and tied to the core of downtown by an improved East Washington Street."

More specifically, the report lists housing development, streetscape improvement, and zoning code adjustments as tools to help spark such vitality.

The report recommends forming a Church Street Investment Council, comprising representatives from Church Street area cultural institutions, Greensboro, and community organizations and foundations, to act as a governing board to direct the strategy's implementation. A full-time coordinator, who would be housed at DGI or another community organization, should be hired at a salary of \$70,000 to \$80,000 a year to oversee



The Greensboro Children's Museum (with smiley face) is a focal point of the proposed cultural district. (CJ photo by Sam Hieb)

the strategy, the report said.

Specifically speaking, the strategy has four main components, which could be a boon for some property owners downtown, including the troubled International Civil Rights Museum. The report recommends completing investments already under way on Elm Street, including the civil rights museum, which was supposed to be a major part of downtown's revival.

Beset by construction problems and

questions of mismanagement, the museum, based in the former Woolworth's building where the historic sit-in movement was born, has been under construction for several years now with no completion date in sight. Greensboro vot-

ers, evidently fed up with the delays, have repeatedly rejected bonds to fund the museum's construction costs.

The plan recommends "support" for the development of several other downtown properties, including a *News & Record* of Greensboro parking lot, a three-acre site with an asking price of \$5.8 million, on which a "cultural anchor" such as an art gallery, science-technology museum, theater for performing arts, or IMAX could be built. Site acquisition would be funded with bonds. Construction of the cultural anchor would be funded through either "performance financing development throughout the district or certificates of participation from the city."

Another area targeted for development is the Greensboro Transit

Authority site, which would become vacant if federal funding comes through for GTA's new \$20 million facility. The plan recommends the city "incentivize" private residential development on the site, although the "private sector will not develop the site alone, given environmental concerns."

The report mentioned a variety of funding options to implement the strategy, including general obligation bonds, two-thirds bonds, certificates of participation, and tax-increment financing.

DGI President Ed Wolverton told the council at a briefing session that the report cost \$125,000. DGI paid \$50,000, and the city paid \$75,000. Although it already had been included in the 2008-2009 budget, DGI's annual funding was discussed at some length during the Sept. 2 council meeting because, for a reason that was never adequately explained, the council still needed to pass a resolution supporting \$480,000 in funding from the BID tax.

According to the city's Web site, the BID, which is also known as the Municipal Service District, "provides an equitable method for funding special improvements to public right-of-way areas because property owners share in the cost. In return, citizens decide for themselves what projects will be funded in their neighborhood and then participate in planning those projects."

DGI board member Daniel Craft told the council that 65 percent to 70 percent of all property owners supported the tax, 70 percent of which was being paid by the 10 largest property owners.

Council member Robbie Perkins explained that a major obstacle in establishing the BID several years ago "was convincing the large property owners that it was in their best interests to pay extra to maintain the downtown."

But council member Trudy Wade questioned how many downtown property owners got to decide for themselves how BID revenues would be invested. Wade grilled Wolverton about the process involved when electing DGI board members.

Wolverton explained that nomination forms were available to all business owners and residents in the district, but nominees were filtered through a committee before ultimately being chosen by other board members, who serve staggered terms.

"So only 30 people vote on who's going to represent that entire tax district? So all those people who pay tax, they don't have any votes on who's on the executive board? Is that what you're telling me?" Wade asked.

"That's correct," Wolverton said.

"I think I'd be concerned if I was paying taxes in that district," Wade said. CJ

Capital investments
on Church Street
are meant to
connect with
Elm Street corridor

Fiscal Crisis Grips Chowan; Faces \$4 Million Shortfall

By DAVID N. BASS
Associate Editor

Peter Rascoe had a rough first day on the job. Shortly after taking over as Chowan County manager, he learned that the county couldn't pay its bills. It had only \$723,335 in total cash and investments on hand, had burned its way through a \$29 million reserve fund, and faced a \$4 million budget shortfall.

In other words, the county was broke.

Now, Rascoe and county commissioners are in hot water after the Department of State Treasurer sent a letter directing the county to balance its budget or face a potential takeover for being out of compliance with statutory law.

The situation has local residents up in arms. Hundreds of citizens attended a heated meeting of the Chowan County Board of Commissioners on Aug. 14 to protest leaders' handling of the crisis. Commissioners voted the same day to cut services and raise taxes, including a 9-cent property tax increase, to help balance the budget. They also

voted to put a quarter-cent sales tax referendum on the November ballot.

"People need to know the truth," said Robert Steinburg, chairman of the Chowan County Republican Party. "There is \$29 million missing, and we've got to have some answers. Why wasn't there accountability? Why weren't there procedures set up to prevent this?"

Rascoe said that county leaders are doing everything in their power to rectify the problem and that they have been open with citizens and the press.

"The commissioners have gone the extra mile to invite the district attorney, state auditor, and the state treasurer to come in and look at everything," he said.

Rascoe took over as county manager June 17. He replaced former county manager Cliff Copeland, who served three decades in the position. Rascoe said he learned of the crisis the first day on the job, and that there was "no hint" of the situation before that point.

"If I had been aware, then I certainly would have brought it up to the commissioners," he said.

After hearing of the shortfall, Rascoe contacted the Local Government Commission, a division of the treasurer's

office that monitors the financial health of North Carolina's counties, to ask for help. The county also invited the State Auditor's Office and SBI's Financial Crimes Unit to examine the situation.

The commission responded in a letter July 24 describing the county's dire financial circumstances. "Over the last five years, the County has expended more than [sic] it has received in revenues by large amounts, ranging from \$1.3 million to \$3.3 million per year," wrote Sharon Edmundson, director of the commission's fiscal management section.

The county had a debt service payment of more than \$1 million due Sept. 29, but only \$723,335 in total cash and investments.

"Budgeted appropriations for fiscal 2008-2009 total approximately \$21 million. Based on our review, we believe that revenues realized in 2008-2009 will be only \$16.9 million, leaving an initial funding gap of \$4.1 million. ... The issues with cash flow for Chowan County are serious and must be addressed by the Board as soon as is practicable," she wrote.

The commission recently approved the county's request to delay two outstanding debt payments to next year. That, mixed with tax increases and cutbacks, will create a workable cash flow situation, Rascoe said.

Asked how he would respond to residents who question his contention that there was no indication of the impending fiscal disaster, Rascoe said he understood the concern, but he pointed to Copeland for not notifying commissioners of the trouble.

"He controlled the day-to-day finance matters. He controlled which accounts were used, and he did not disclose that to anybody except the actual finance officer who was doing the things he told her to do," he said. "It was kept by him, close to him. Period."

Steinburg, however, said it was "ridiculous" to think that Rascoe didn't know about the county's fiscal situation. "He was the county attorney and the special projects manager. I don't know if he knew the extent, but I'm sure he knew," he said.

In an interview with *The Virginian-Pilot* of Norfolk, Chowan County Finance Manager Lisa Jones said Copeland was "well aware" of the crisis before his retirement. CJ

New county manager learned that county had burned through \$29 million reserve

COMMENTARY

Government 'Needs' vs. Government 'Wants'

Of the many complexities that confront local government it is rare that local officials ask whether they are confronting an actual "need" or a "want." In communities across the state cities and counties routinely subject their citizens to the personal whims of their electeds, which are quite costly to taxpayers. Funding of non-profits, convention centers, walking trails, viewshed ordinances and Smart Growth are just a few of these initiatives illustrative of such waste.

The fiscal argument is simple. When local governments engage in such wasteful spending tax rates must increase or basic needs become underfunded. Either way, elected leaders should endeavor to focus on needs long before they consider wants.

In Asheville, the city council decided to purchase hybrid cars. The car purchases were needs-based, but the extra money spent on hybrids was an extension of political beliefs, not the needs of citizens. The same city also has a transit system that has struggled to get adequate ridership. Rather than analyze how and where money has been wasted, it has put the desire for the system over the need for it to run efficiently.

Most large cities like Charlotte and Raleigh have beautiful convention centers and subsidized hotels. Wilmington is joining that circus. In every instance such endeavors are not remotely need-based. As Raleigh has just completed an over-budget behemoth of a convention center, the city's murder and robbery rates have increased. Is that a trade-off that taxpayers deserve? Should not the city have focused on the crime rate before such a boondoggle?

Wilmington, likewise, is building a large convention center to compete with the profitable and privately run Hilton downtown. The difference being that the Hilton doesn't cost the taxpayers any money.

Small town North Carolina also suffers from such myopia as countless communities have built civic centers. These centers are nice, they provide a wonderful place to hold events, but they are subsidized. They lose money annually

and are not necessary regardless of how nice they may look. Money wasted on those centers does not go to fix streets, promote your town, or to pay for firemen or police.

The line between "need" and "want" is not always easy to see. When councilmen or commissioners bring forth the idea to fund domestic abuse shelters or support historic commissions, it almost seems like these are appropriate expenditures. The point being it can "seem" appropriate. In truth, these are organizations that traditionally raise their own money. As they become accustomed to government funding, that reliance becomes an annualized expectation. Communities should support such endeavors of their own volition without being forced to support them via tax subsidies.

Lest you think I'm being harsh, consider the case for local incentives. More often than not such incentives have been given to existing companies or to companies that have come from other counties. Now that 10 years worth of data exists, counties should review whether the purpose of such tax giveaways has succeeded. In many cases companies receiving these giveaways have gone out of business or laid off employees. What would have been tax revenue was given away, leaving communities to deal with school construction needs or more deputies on the street.

At this time of year, cities and counties begin making adjustments to their adopted budgets. It's a good time to take stock of the "need" vs. "want" debate. The pressure to adopt wasteful spending is high as organizations and ideas run rampant. But a presence does not a need create. Elected officials would be wise to expend the people's money on actual needs. That's what the money was intended to fund. Such an approach helps to keep our streets safer, our schools more adequately funded, and our taxes lower. CJ

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



CHAD ADAMS

Local Innovation Bulletin Board

War on the Suburbs

Former California Gov. Jerry Brown is waging war on California suburbs because of global warming, says Joel Kotkin, a presidential fellow in urban futures at Chapman University, in *The Wall Street Journal*.

Brown, currently California's attorney general, is concerned about the alleged environmental damage caused by suburbs. He wants to compel residents to move to city centers or to high-density developments clustered near mass-transit lines.

Brown has threatened to file a lawsuit against municipalities that shun high-density housing in favor of building new suburban single-family homes, on the ground that the homes will pollute the environment. He is also backing controversial legislation that would restrict state highway funds to communities that refuse to adopt "smart growth" development plans.

The problem is, Californians do not want to leave the suburbs for the cities. For two generations, residents have been moving to the suburbs. They were attracted to the prospect of good schools, low crime rates, and the chance to buy a home. A 2002 Public Policy Institute of California poll found that 80 percent of Californians prefer single-family homes over apartment living.

Forcing developers to build near transit lines, a strategy favored by smart-growth advocates, does not mean

residents will actually take the train or bus. A survey by the *Los Angeles Times* found that only a small fraction of residents shunned their cars during rush hour.

Green transit a myth?

Mass transit is not a greener form of transportation. Some transit systems take twice as much energy per passenger than private cars do and are highly dependent on fossil fuels, according to studies from the Department of Energy.

But how can this be? A full bus or trainload of people is more efficient than private cars, sometimes quite a

bit more so, says Brad Templeton, founder of ClariNet Communication Corporation.

Transit systems never consist of full vehicles. In order to encourage riders, systems offer frequent service, which leaves emptier vehicles outside of rush hour. Transit vehicles also stop and start frequently, which consumes a lot of energy, even with regenerative braking.

Most transit vehicles are heavy and not very aerodynamic. According to the DOE, compared to new cars, buses and trains are 60 and 25 percent less efficient, respectively.

Amber Alerts

Since its birth 12 years ago, the Amber Alert has quickly become one of the best-known tools in the law-enforcement arsenal. The warnings are familiar to anyone who watches cable TV news.

Last year, 227 alerts were issued nationwide, each galvanizing interest in the local community and flooding police with tips. While the particulars of state systems differ, the goal is the same: to disperse news of a kidnapping as widely and quickly as possible, in the hope that someone will spot the kidnapper before a child

is harmed, Drake Bennett says in *The Boston Globe*.

The program's supporters say its successes have been dramatic. According to the National Center for Missing and Exploited

Children, more than 400 children have been saved by Amber Alerts. All of the 17 children Massachusetts has issued alerts for since it created its system in 2003 have been safely returned.

These are misleading statistics. In the first independent study of whether Amber Alerts work, a team led by University of Nevada criminologist Timothy Griffin looked at hundreds of abduction cases between 2003 and 2006 and found that Amber Alerts actually accomplish little.

In most cases where they were issued, Amber Alerts played no role in the eventual return of abducted children. CJ

Jerry Brown says suburbs cause environmental damage and should be limited

Citizens Post Challenge To Buncombe Zoning

BY MICHAEL LOWREY
Associate Editor

A challenge to Buncombe County's recently enacted zoning ordinance is before the N.C. Court of Appeals. In oral arguments before the state's second highest court, two of the three judges expressed concern over the process by which the county's zoning maps were approved, the *Asheville Citizen-Times* reports.

State law requires a public hearing on the zoning maps that the county adopted. Between the time notice was given of the hearing and the hearing itself, county commissioners approved more than 400 requests to have parcels rezoned. Most of the changes involved rural areas, with property owners seeking stricter zoning requirements than what the county had originally proposed.

"We felt like that was a reasonable accommodation to the first zoning plan Buncombe County ever had," County Commissioner David Gantt said. "We thought we would give people this one opportunity to go in and change it for no reason."

The county argued before the appeals court that property owners shouldn't be allowed to challenge the zoning maps because their properties were not affected by the changes.

Opponents contended that rezonings violated public notice requirements, an argument that struck a nerve with at least two of the panel's three judges.

"By the time we get to the public hearing, the maps are completely different than what they called for the public hearing on, and that, somehow that bothers me," Judge Sanford Steelman said.

Judge Martha Geer was concerned that more property owners might have responded at the public hearing if they had known of the rezonings.

"The problem, I think, that certainly I'm struggling with, is that the public doesn't know what is at issue," she said.

Greensboro inspections

Greensboro is considering changing how it regulates rental housing. A panel has recommended that the city largely drop a reinspection requirement, a move that could again have the city largely looking for code violations in response to complaints, the Greensboro

News & Record reports.

In 2003, Greensboro passed a rental ordinance that fines landlords if their properties do not have a current inspection certificate. Certificates are valid for five years. The certificate requirement will go into force Jan. 1, 2009. The city has inspected more than 30,000 properties in the past five years.

Some properties certificates will start to expire soon, and a rental certificate advisory board has recommended that they automatically be renewed without a reinspection if the property has not had any code violations in the past five years.

"The city cannot go back

every year and inspect all those buildings again. They don't have the time or resources," panel member Todd Rotruck said. "I don't think they need to go around and look for any little nitpicky thing that is wrong with a house."

Landlords would instead be required to fill out a questionnaire with their property tax bills. City staff would still investigate allegations of code violations.

Some city staff members, fearing that some code violations would go undetected without universal reinspections, are opposed to the proposal.

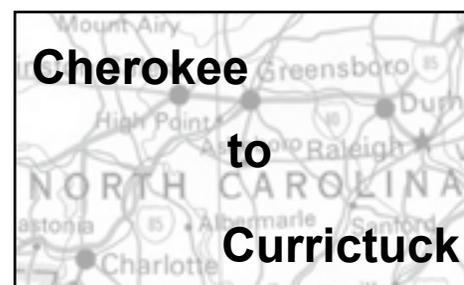
"People are going to slide," said Lori Loosemore, who manages the city rental unit inspectors. "They are going to wait for us to find them, period. That is what we did before."

Cumberland fire sales tax?

Cumberland County fire chiefs are proposing the county alter the way it funds fire protection, including adopting a special public safety sales tax to fund county fire departments.

The county's 19 fire departments that serve unincorporated areas are funded by a special 10-cent property tax plus whatever additional funds they can raise on their own, the *Fayetteville Observer* reports. Property tax receipts total \$5.1 million per year. That isn't enough money for the departments to hire full-time firefighters, and volunteers are increasingly scarce to respond to calls during normal business hours.

Manning the department with professional firefighters would cost an extra \$8 million to \$9 million per year. To generate the money, the county's fire chiefs recommended replacing the current property tax with an additional sales tax. CJ



Asheville Transit System Operated Five Months Without Contract

City officials say personnel action prevents them giving explanation

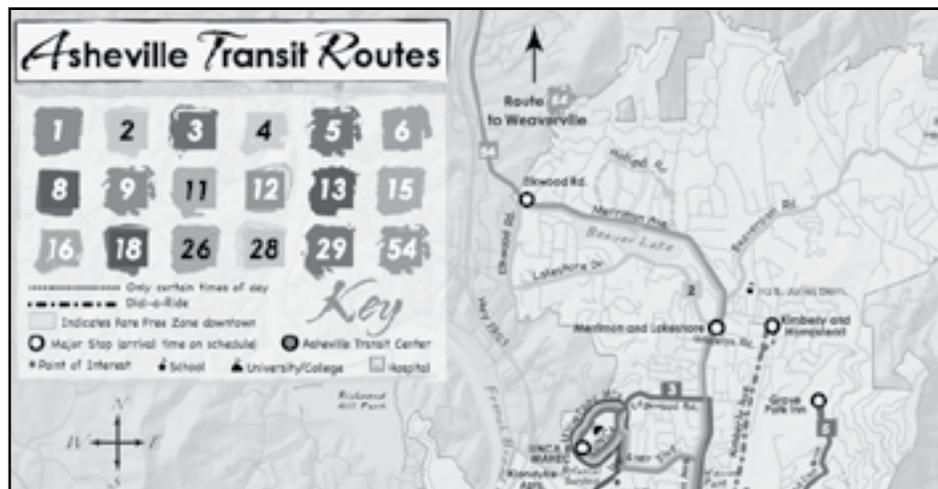
By DAVID N. BASS
Associate Editor

RALEIGH

Asheville's public transit system operated five months in 2007 without a contract while paying a private firm \$11,339 per month to run the city's bus routes, according to documents obtained by *Carolina Journal*.

A representative of the Asheville transit department declined to comment on why officials allowed the contract to lapse. The delay was caused by personnel matters, which could not be discussed with the press, the representative said.

In July 2002, Asheville signed a contract with Professional Transit Management, a private company based in Ohio, to operate the city's transit system. State law bans municipalities from en-



Portion of a map showing Asheville Transit System's 18 bus routes.

gaging unions in collective bargaining, so cities must hire independent firms to manage transit systems.

The contract with PTM was effective through June 2005, but it included two one-year extensions that the city approved subsequently. The city was supposed to either renew its contract with PTM or hire a different management company by June 2007, but transit officials waited until September to issue a request for proposals.

Two days after PTM's contract expired June 30, 2007, Alex Roman, re-

gion vice president for PTM, contacted the city and requested confirmation of a three-month extension of the contract while the bidding process went forward.

"We didn't have an option for an extension [in the contract], but the city wasn't prepared, so for whatever reason they asked us to extend," Roman said in a telephone interview with *CJ*.

The city did not act until Dec. 4, 2007, when City Manager Gary Jackson signed a six-month extension of PTM's contract. The extension was effective from July 1 through Dec. 31, 2007. It obligated the city to pay PTM \$11,339 per month for the duration of the extension, an amount the city had already been paying the company during the preceding five months, even without a contract in place.

Asked why the city waited almost half a year to sign a contract extension, Jackson deferred the question to Cathy Ball, director of the Transportation and Engineering Department for the city. Ball said internal matters caused the delay.

"There were some personnel issues that have been dealt with," she said. "There was an issue of timeliness with getting a request for proposals out. We had to go through a pretty regimented process for that."

E-mailed questions to Asheville Mayor Terry Bellamy elicited a similar response. "The delay was due to a transition in staff management personnel," she wrote.

Signing contract extensions while a request for proposals is ongoing is "not very typical," Roman said. "There were some turnover issues in the city's transit office, so perhaps they had to deal with it," he said. "I can't speak as to why it took so long to get it signed. We kept managing on the basis of their assurance that it was in process."

Pre-award protest

In January and again in April, Asheville and PTM agreed to two more three-month extensions. Shortly before the last extension was signed, Thomas Hock, PTM's chief executive officer, wrote a letter to Asheville procurement

manager Amy Patterson protesting the city's awarding of the transit management contract to a competitor, McDonald Transit Associates.

Hock objected to the city's ranking of McDonald higher than PTM in its evaluation of potential transit management companies.

"[Our] protest is based on the very serious concerns we have regarding the integrity of and discrepancies in the City's procurement process," Hock wrote. "Specifically, PTM is concerned with the City's disregard for adhering to the published procurement timeline and lack of direct, meaningful communication (written or otherwise) from the City regarding the status of the procurement process."

In a second letter dated two weeks later, Hock suggested that the city clear all proposals and establish new guidelines for looking at potential transit management firms. The city never did this. Instead, it switched the awarding of its transit contract from McDonald Transit Associates to the last-place bidder for the contract, First Transit.

Ball said that PTM has not filed a post-award protest, which would require the city to review its process of evaluating the contractors again. After receiving Hock's complaint, however, the city re-examined the process to ensure it was fair, Ball said.

"We went back and reviewed it with our purchasing folks and legal folks, and we felt like we were doing the right thing," she said.

Roman said he still does not know why the city elected to replace PTM with First Transit. "We had requested copies of the award post scoring evaluations, but they have said they cannot release the information, so we haven't seen it," he said.

Asked why the city opted to hire First Transit, the company that placed last among the three bidders for the contract, Bellamy wrote, "[T]he decision was to engage the firm showing the most preparedness through their proposal, interview, and references, to fulfill the future system management role."

First Transit contract delayed

PTM's last contract extension expired June 30, but Asheville city leaders waited almost three months to finalize the new contract with First Transit.

On June 10, the Asheville City Council passed unanimously a resolution authorizing Jackson to enter into an agreement with First Transit. The company took over operations of the city's transit system less than one month later, but the city did not officially sign the contract until Sept. 19.

After *CJ*'s initial request for a copy of the contract, Trish Hardin, interim public information officer for Asheville, said that the city's legal department had not yet received it from First Transit's legal counsel. *CJ*

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• The United States Constitution, the bedrock of our country and foundation of our federal republic, is dead.

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The authors round up the suspects responsible for the death of the government the Founding Fathers designed. Going right to the scenes of the crimes, they dissect 12 of the most egregious assaults on the Constitution — some virtually unknown. More at www.randomhouse.com. CJ

Book review

Lawyer Myth Whitewashes the Legal Profession

• Rennard Strickland and Frank T. Read: *The Lawyer Myth: A Defense of the American Legal Profession*; Swallow Press; 2008; 152 pp; \$16.95.

BY GEORGE LEEF
Contributor

In 1999, a Michael Sells' book *Approaching the Qur'an: The Early Revelations* was published. I certainly would never have heard about it except for the fact that in 2002, the University of North Carolina at Chapel Hill selected the book as its summer reading assignment for incoming freshmen. It was a controversial choice, to say the least. Among other criticisms, those who found it a poor selection noted that the author included none of the passages calling for violence against infidels. If you read only that book, you would think that Islam was untainted by the spilling of blood.

Just as *Approaching* whitewashed Islam, so *The Lawyer Myth* whitewashes the legal profession. The authors, both law school deans, announce, as in the movie "Network," that they're "mad as hell and won't take it any longer." What they're mad about is the opprobrium that is so often dished out to their profession. Not just the lawyer jokes, but the public perception that lawyers are mostly leeches who manipulate the system to live well at the expense of everyone else. They're especially bitter at commentators and politicians who try to score points with gullible, misinformed people by pushing for reforms in the legal system.

To hear Strickland and Read tell it, the legal profession has been viciously and unfairly attacked. Lawyers aren't leeches. They do great things. They deserve to be held in the highest regard, not maligned.

I know of no one who is foolish enough to believe that the entire legal profession is rotten and that lawyers never do any good, but that is the straw man the authors rip apart. They inform us that lawyers often defend those who have been wrongly accused. Yes, and bravo. They argue that lawyers help to solve difficult societal issues. Well, sometimes they do. They observe that lawyers are instrumental in keeping the wheels of commerce turning. That's correct — well-written contracts are very important.

No serious person denies that many lawyers do beneficial work. The problem with *The Lawyer Myth* is that the authors try to create the impression that none of them ever does anything bad. That's demonstrably untrue, but just as the "kill the infidels" passages in the Qur'an never darken the pages of the Sells book, neither does any of the reprehensible, vicious, and greedy conduct of lawyers and bar associations ever show up in this one.

Let's start with tort law. Strickland and Read go to considerable lengths to show that one of the most famous recent tort cases (the McDonald's hot coffee case) is misunderstood and actually praiseworthy when properly analyzed. They make a pretty persuasive case. The trouble is that after dispatching that and a few other cases commonly cited as justifying the urgency of reforming the tort system, the authors want readers to conclude that the whole tort reform movement is bogus.

Hardly. There are many, many cases in which lawyers have extracted enormous amounts of wealth over absurdly

trivial complaints. One of the most egregious was a class-action lawsuit against Toshiba in the late 1990s, alleging that a design flaw could cause users of a Toshiba laptop computer to lose data when transferring it to a floppy disk. No computer owner had complained about that happening, much less had suffered any damage from this theoretical defect. But digging around for a case to file, a Texas trial lawyer learned about the possibility of this computer malfunction and ginned up the class-action suit.

Wishing to avoid a potentially devastating jury trial in an unfriendly venue, Toshiba agreed to pay the two named plaintiffs \$25,000 each and gave coupons worth a small amount toward the purchase of a new computer to anyone else in the class who wanted in on the settlement. Naturally, the law firm pocketed a huge windfall — \$147 million.

That's pretty repulsive, a clear instance of using the law as a sword rather than a shield. Perhaps Strickland and Read would say, "Look on the bright side: Toshiba had dedicated legal counsel defending its interests." The point, of course, is that no legal counsel should have been necessary at all.

The authors make much of the fact that in cases where there are oversized damage awards, judges can reduce them to a reasonable amount. That can happen, but it doesn't always, and what does it tell us about lawyers who try to extort sums vastly in excess of any damage suffered?

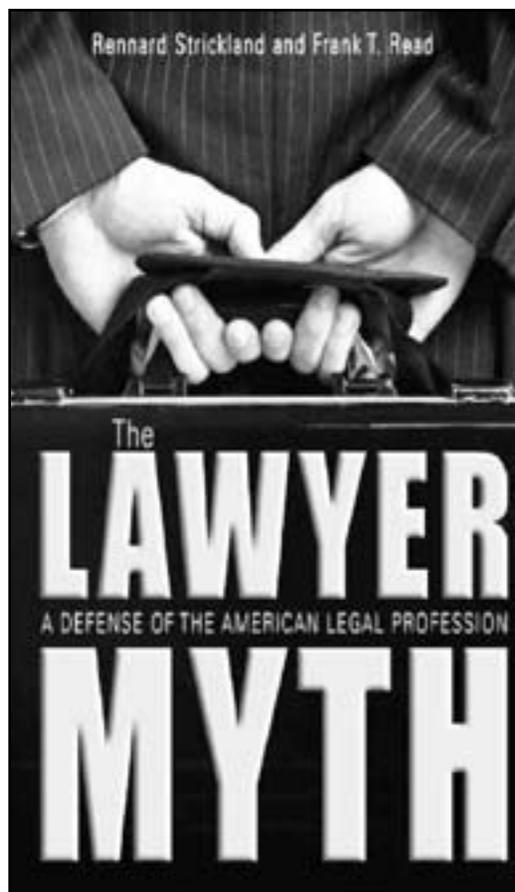
There are cases worse than mere greed. In 2005, federal Judge Janis Jack, sitting in an asbestos case, became suspicious about the medical evidence that plaintiffs'

lawyers were using in a mass tort case. She investigated and found that doctors had been paid to come up with diagnoses of harm to patients they had barely examined, if at all. The cases were thrown out and the lawyers sanctioned. If you only read *The Lawyer Myth*, you'd never know that lawyers were capable of deception to win cases.

Would it be piling on to note that the inventors of the "strike suit," whereby startup firms were socked with lawsuits when their earnings didn't match projections on the ground that the investors had been defrauded, are now in jail for having paid people to be their plaintiffs? That and other recent ethical embarrassments for the legal profession are ignored.

A disturbing feature of the book is the way the authors try to carry their arguments with *ex cathedra* pronouncements. At one point, for example, they simply declare, "The bar is not a closed guild whose primary function is to protect its members." No less a legal scholar than federal judge and University of Chicago Law School professor Richard Posner disagrees. In a 1993 article published in *Indiana Law Journal*, Posner likened the organized bar to a medieval guild, writing, "Government regulations designed to secure the cartel against competition and new entry from without, and centrifugal, disintegrative pressures from within, held the cartel together against the dangers that beset and would ordinarily destroy a cartel of so many members."

What Posner is talking about are the high barriers to



Nathaniel Macon Fought Federal Encroachment and High Taxes

It seems that national representatives today remember that the United States was founded as a federal polity only when doing so checks their opposition. In recent years, rarely can I remember a politician putting forth a consistent and genuine states' rights argument.

As I have written before, sometimes I wonder whether Americans now live in a nation that has been transformed by broad constitutional interpretations into something other than what the Constitutional Framers and state ratification conventions agreed America should be.

The American modern state, with increasing frequency, has been stripping away individual liberties and undermining the autonomy of federative polities, including states, churches, various professional associations. It has evolved into a Leviathan. With bite after regulatory bite, its appetite is not curbed. Instead it



**TROY
KICKLER**

fuels a growing, ravenous beast with a seemingly insatiable appetite.

The beast, however, can be starved and vanquished. To do so, Americans must hearken back to an original understanding of the Constitution and the American rule of law: We must remember who we are.

Nathaniel Macon provides one of many historical voices that can gain American attention and refresh American memory. He was an influential early republic (1790-1815) statesman who served his nation for 24 years as a congressman (six as speaker of the House) and for 13 years as a U.S. senator.

Throughout his political career, Macon put forth a strict construction of the Constitution. He feared that broad interpretations strayed from original intent and served as a means to gain power and encroach on individual rights. The Warren countian believed the best defense of individual liberty was to interpret the Constitution as it had been ratified. If one part fell, the rest would eventually follow.

On the House floor, Macon once explained why he consistently offered a strict interpretation of the document: "There are five or six different ways found of getting power — by

construction, by treaty, by implication, and so forth. I am willing to execute the Constitution just as it was understood by those who made it and no other."

When once taunted on the congressional floor for always finding a measure unconstitutional, Macon replied that when some members believe there are no constitutional limits to their actions, their counterparts should always set limits. In short, Macon questioned departing from the Constitution, for, as he said, "if [it] be departed from; the wise maxims they may contain are useless, perhaps worse than useless if not adhered to, because honest people abide by them, and others do not."

In particular, Macon considered unconstitutional taxation as the biggest threat to undermining the American federal republic. From his first year in the U.S. House to his last in the U.S. Senate, Macon battled increased taxation, for it accompanied government growth. The latter needed the former and produced a debt cycle that was a "great evil" influencing the "moral as much as it does the political world," Macon wrote Willie P. Mangum, a state legislator. As Macon expressed during the 16th Congress,

"Our strength is in proportion to the smallness of our taxes; encumber and overload us with debt, and we are ruined."

When opposing the Sedition Act of 1798, an act that limited freedom of the press, Macon offered his political creed concerning the nature of the states and the Constitution — that is, the nation is a product of the states and relies on them for its existence. The bill was dangerous, Macon said, for Congress was stepping on "forbidden ground."

He agreed with the bill's sponsors that states had enacted similar laws, but Macon remained baffled how in such a short time Congress thought it had the constitutional authority to suggest such power.

For bills that increase the size and scope of government and threaten individual liberties and federative autonomy, current members of Congress should follow Macon's example and demand that fellow legislators "put [their] finger on that part of the Constitution in which the power was granted." *CJ*

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

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Short Takes on Culture

Book Shows Racism in Racing

• *Hard Driving: The Wendell Scott Story*

By Brian Donovan
Steerforth Press

Wendell Scott was an African-American mechanic from Danville, Va., who just wanted to drive race cars.

In the mid-1950s, stock car racing was still very close to moonshine running—a business Scott was also in—and very, very white. Though a pioneer in the desegregation of American sports, Scott never promoted himself that way to fans, race organizers, or other drivers. Any recognition he got was due to hard work, good driving, occasional support from other drivers, and a growing base of fans in Virginia and the Carolinas.

Hard Driving is painful to read. Scott lived his dream—he was the first African-American to establish a career in NASCAR—but it was a long road of threats, broken promises, and frustration.

Author Brian Donovan writes that Bill France, the man behind the rise of NASCAR, did not deliver on his personal assurance that Scott would not be treated any differently than his white competitors, and many of his associates were vociferously opposed to Scott's success. It's an ugly scene.

Scott also mortgaged most of his family's security in his quixotic quest. Ultimately the lack of sponsorship doomed his efforts, forcing him to jump out of the car to assist his own pit stops or tune his own engine all night while other drivers rested, sleeping in his truck when traveling.

The move from a largely dirt-track circuit, where Scott's driving talent made up for inadequate vehicles, to paved super speedways made raw power a necessity. A career-ending pileup at Talladega destroyed the only competitive car he ever owned, nearly killed Scott, and left him struggling to pay off the wrecked car.

Readers will appreciate the gentlemanly conduct of drivers like Richard Petty and Ned Jarrett but will be shocked by the intolerance of other big names. It is a chapter of racing history that NASCAR probably would rather forget.

— HAL YOUNG

• *"Flyboys"* on Blu-Ray
MGM
Directed by Tony Bill

What happens when the Green Goblin trades in his jet-board for a World War II biplane? A surprisingly enjoyable account of the real-life

Lafayette Escadrille.

James Franco from the Spiderman flicks stars as a young Texan, dispossessed of his ranch, who escapes to France and volunteers to fly planes against the Huns. Franco is joined by a cross-section of Americans, and right away the movie mines Hollywood's rich vein of war movies that always featured "the platoon" of Everymen.

There's a black ex-prizefighter, a pampered rich kid, the Bible-quoting guy—nothing new, but nothing out of place either. This allows the film to touch on race and class issues in between dog fighting scenes in a natural, non-bludgeoning way.

Romance is also injected in the form of the local French girl (Jennifer Decker) who counts the planes as they leave. And return. Humor is supplied by Jean Reno, occasionally channeling Inspector Clouseau as he exasperates his way through his turn as the French commander of the unit. But none of this would hold your attention were it not for the zooming flight scenes, which mix live action and CGI into a credible presentation in high definition.

The zeppelin attack on Paris is a highlight here. And despite the formula trappings, the film does not offer a completely happy ending. Parents should know that while *Flyboys* is not gory or sexual, there is mention of brothels and prostitutes that might prompt some questions from the room. But certainly families with tweens can dive right into this historic adventure.

— JEFF TAYLOR

• *"Top Gear"*
BBC America
Mondays 8 p.m.

Tired of politics and reruns? Want to get your inner gearhead mojo working? Then I highly recommend BBC America's *"Top Gear."*

"Top Gear" features as quirky a cast of "presenters" as you'll ever find. Top host Jeremy Clarkson brings an old-shoe affability, frenetic Richard Hammond is always fun to watch, and laid-back longhair James May is the Qualude that calms down the other two. And then there's "the Stig," the faceless driving genius who tests the \$500,000 cars.

Of course, an interest in cars, especially fast cars, adds to the enjoyment, but it's not a necessary ingredient. Just watch this superbly edited show once, and you'll be hooked.

— JON HAM CJ

*Book review, continued***Book on Lawyers a Whitewash**

Continued from Page 20

entry into the profession (the requirement of graduating from a law school plus passage of a bar exam) and the laws against competition from outsiders ("unauthorized practice of law" statutes) that the bar insists on. Lawyers might actually believe that those measures are necessary for consumer protection, but they serve only to stifle competition and keep earnings up. Some of the vilest things bar associations ever do are to bring unauthorized-practice lawsuits to destroy small legal-service businesses that have occasionally tried to compete. Staffed with paralegals and legal secretaries who know what they're doing, such businesses have capably assisted individuals with routine legal matters.

Under the smokescreen of consumer protection, however, the bar annihilates competition from lower-priced service providers who don't have the formal credentials for bar membership. The fact that these cases

are brought by bar associations rather than aggrieved consumers is telling. In some cases, not only have the businesses been shut down, but their founders have been compelled to compensate the bar for its expenses in putting an end to their enterprises. In a few instances, the miscreants have even been put behind bars as a warning to other would-be interlopers.

It's not surprising that Strickland and Read have nothing to say about enforcement of unauthorized practice of law, since it throws a huge wrench into their "lawyers as social heroes" line. They mention the fact that lawyers enjoy monopoly licensing, but instead of questioning the social benefits of that, they argue that because many people can't afford legal services, the bar should step in and do much more pro bono work. They also favor more government subsidies so that poor and even middle-class people can afford legal services.

Those are, to put it charitably, poor ideas. Consumers are better off with affordable services they pay for, thereby creating the strongest incentives in the service providers to do good work, than with charitable work that's often grudgingly performed. As for governmental subsidies, there is no reason for them because a free market in legal services would bring the cost of services down so that less-affluent people could afford them. Apropos of that, a story.

In 1987, President Reagan appointed Michigan lawyer Clark Durant to be the head of the Legal Services Corporation, a federal monstrosity with roots in LBJ's "Great Society." LSC is supposed to help make legal services available to the poor, but a lot of its spending ends up in leftist advocacy. Durant was scheduled to give an address to the American Bar Association's annual convention, but delayed giving the ABA the text of his remarks for fear that he would be disinvited if they knew what he planned to say. In his speech, Durant said that there would be no need for the LSC if bar associations would stop acting like cartels and suppressing competition with unauthorized-practice-of-law actions. Durant told me that after he

was done, "you could have heard a pin drop." The next day, the president of the American Bar Association fired off a letter to Reagan demanding that Durant be fired because he was obviously nuts to hold such beliefs.

Bar associations
spend much of
their time
trying to 'destroy'
competition

Like most lawyers, Strickland and Read underestimate, or fail to consider, the efficiency of the free market. Does the bar exam, for instance, protect consumers against incompetence, or simply act as an entry barrier? Lawyer Douglas Kern, writing at the site TCS Daily (June 22, 2004), blew the whistle on the notion that all the expensive preparation demanded by the legal profession is socially useful. He wrote, "Many an affluent lawyer would sink into the doldrums of mere middle-class comfort if the public learned the dirtiest secret of all: any intelligent, educated adult with a little exposure to the practice of law can perform about 60 to 75 percent of the legal tasks that lawyers now charge a fortune to perform."

How disappointing to read a book on the legal profession that tries to paint those who suggest that we need to reform the tort system (especially class actions) as crass political opportunists, but absolutely ignores the waste and harm caused by the efforts of the profession to maintain its guild-like status. There are, as the authors say, lawyers who do great work, but unfortunately they are often doing it in opposition to nasty efforts by other lawyers. Instead of this smiley-face drawing, the legal profession needs a "warts and all" portrait. CJ

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

Lackluster 'Swing Vote' Will Leave Moviegoers Wanting a Recount

• "Swing Vote": directed by Joshua Michael Stern; starring Kevin Costner, Madeline Carroll, Paula Patton, Kelsey Grammer, Dennis Hopper, and George Lopez; Touchstone Pictures; release date Aug. 1.

By JANA BENSCHOTER
Contributor

GREENSBORO

The attempt to use irony in the movie "Swing Vote" is not only painfully predictable but also executed disappointingly. The anticlimactic flick, which was released in time for the November election, does little to really address any worthy issues that will ultimately decide the fate of the upcoming historic 2008 election.

Sadly, Kevin Costner, who plays Bud Johnson, a divorced father, does not capture the attention of the audience until the end of a very long 100 minutes. At that point, most moviegoers appeared to be questioning why they purchased the ticket in the first place.

While the writers were trying to depict a strategic battle between the Republicans and Democrats, the lack of attention-grabbing dialogue and any personal story line that would speak to the voter never truly surfaced. The writers conveyed a weak outcry of anguish from the American public regarding job security, immigration, health insurance, the environment, economic growth, and abortion. Customary to the election season, mudslinging was prevalent everywhere in the movie and was as strong as the stereotyping of different interest groups.

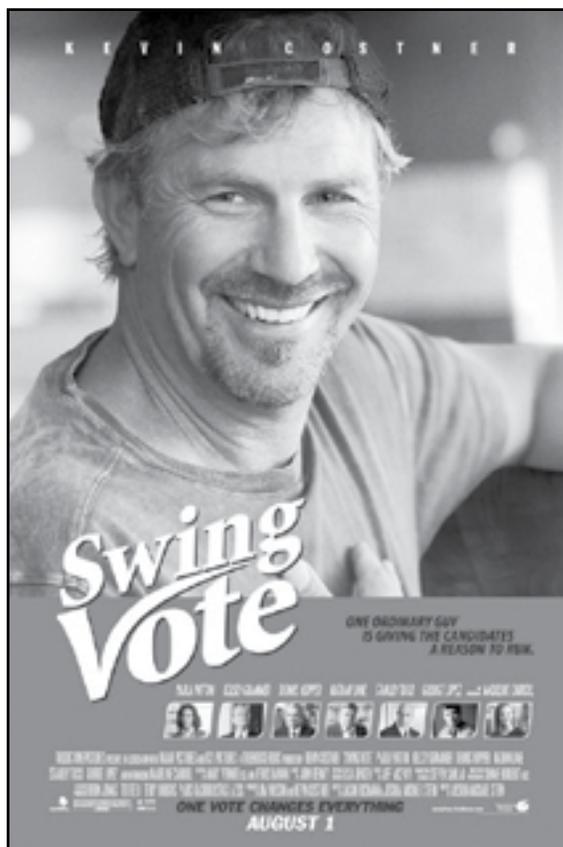
Throughout the middle of the movie, as each candidate is vying for the one and only vote that would decide the outcome of the election — Johnson's

independent ballot — the writers portray the existing Republican president and the contending Democratic president as fickle for shifting their actual standpoints on issues to accommodate any half-baked response from Johnson on each issue that was presented to him.

Surely at the beginning of the movie, it was evident that Johnson's attitude toward politics was lukewarm, but then, as he was being courted for his vote, his concern of anything to do with helping blue-collared workers like him, disappeared as he drank beer and partied his woes away.

Because there are too many story lines intertwined into one overall movie, actual deep discussions on any specific issue are bypassed in favor of only a few dozen bags full of hundreds of letters directed to Johnson. The letters — you guessed it — are mailed to him from voters from across the nation pleading Johnson to make the "right" choice.

Believe it or not, Johnson didn't



believe in the importance of his vote to determine a desired political leadership result. As the movie unfolds, the slow pace allows one to figure out the power bestowed to him from this one vote. The power, inevitably, was given to him by his daughter, who is much more knowledgeable about politics than he, when she decided to cast Johnson's vote for

him while he was out drinking with buddies. Evidence proved that he didn't actually vote, which leads to the flood of people to Johnson's hometown in New Mexico and the recasting of his ballot for either candidate.

The tug-of-wars between father and daughter, a clash between daughter and long-lost mother, and a sprawl between the Democratic candidate and his wife don't provide much to the viewer as to whom these people really are. The overall story line, as well, leaves much to be desired.

While it was evident that wedge issues were discussed slightly more

than value issues, such as national security, the current housing economic crunch, and the rising cost of fuel, the true, literal debate of such issues — that have a direct affect on the economy and ability of businesses to provide benefits to employees — is nonexistent. To try to create humor in "Swing Vote," the writers throw issues around in a movie montage without much flair, only eliciting a few chuckles here and there from the audience.

Approximately 10 minutes of the movie was spent acknowledging the critical importance of electing a reliable, trustworthy president. The writers dared to discuss the "nuclear football" that accompanies presidents. Only while on vacation does one forget where they leave a football.

And for Johnson, viewing something as powerful as nuclear weapons codes for more than two seconds during a conversation with the current Republican candidate makes him fumble any thought of being responsible enough to hold it. With that said, anything such as where a president stands on national security or foreign policy, especially when a nation is at war, might seem a tad bit more interesting to the viewer. As much as the topic of war is not funny, the compassionate side of the candidates that the writers tried to create was also stale.

At the beginning of the last scene, any heart of the matter was finally read aloud from the letters sent to the two candidates when Johnson, who was the moderator, suddenly decides to grow up.

By the end, the effort to create a suspenseful conclusion, by not announcing for whom Johnson cast his ballot, leaves you wanting a refund. CJ

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By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business

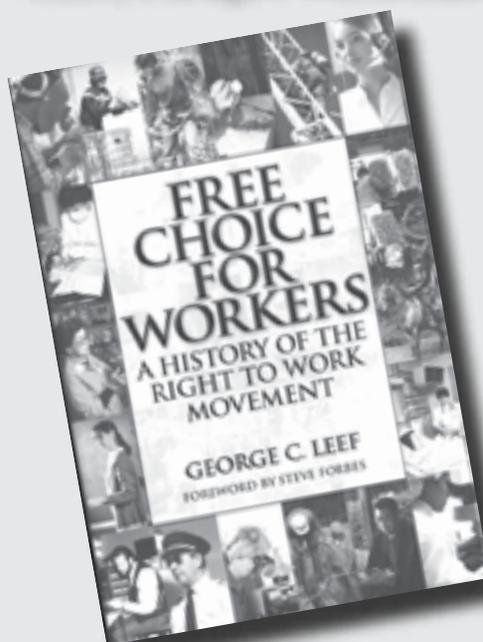


"[Selling the Dream] provides a fascinating look into the world of advertising and beyond ... Highly recommended."

Choice
April 2006

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



By George C. Leef
Vice President for Research at the
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COMMENTARY

Smoking For England

Smoking is risky. So are many other activities. Bungee jumping, motorcycling, skydiving, mountaineering, hanggliding, ocean swimming, soldiering — and promiscuous sex — all kill thousands of people every year. But we hate smoking and despise smokers — and feel good about it. Discrimination against smokers is not just OK, it's encouraged. Don't feel sorry for those pathetic, shivering addicts puffing nervously on the street: It's for their own good! There's historical precedent. The torturers of the Spanish Inquisition comforted themselves in much the same way as they turned the screws on heretics.

Like the Inquisition, the persecution of smokers has become institutionalized. There is a pending bill in Congress that would have the government regulate tobacco as a drug (Sen. Richard Burr, R-N.C., is opposed). The World Health Organization, in a new report funded by a billionaire ex-smoker, New York Mayor Michael Bloomberg, is stepping up international pressure for government restraints on smoking. The British Medical Association urges more restrictions on TV and movies with smoking scenes — so much for AMC's "Mad Men," not to mention most movies through the 1980s.

Few object; after all, smoking kills some people. The BBC reports that 50 percent of cigarette smokers will die because of smoking, and half of these deaths will be in middle age. Of course, everyone dies, so the real issue is not death, but lost years of life. A recent, careful study (Baal et al., *PloS - Medicine*, February 2008) tells us how many: Dutch smokers can expect to live to 77.4 rather than the healthy-living's 84.4 — seven lost years. The loss of years is a certain risk; the stats on causation are much less sure — after all, nonsmokers die of lung cancer and other smoking-related diseases, but the tendency is to attribute all to smoking. And these are all correlations, not direct demonstrations of the cause of death.

So are these seven lost years reason enough for the governments of Europe to restrict the rights of smokers? Politeness,

and perhaps the small risk from secondhand smoke, demands some smoke-free public spaces for nonsmokers. What should government do beyond that?

Not much, and here's why. Governments should act for the collective good, and the fact is that smokers save the rest of us much money. Baal et al. add new statistics confirming what a number of other researchers have found, that in terms of medical costs, smokers (and the obese) are cheaper than nonsmokers — lower not just in lifetime but in annual



JOHN STADDON

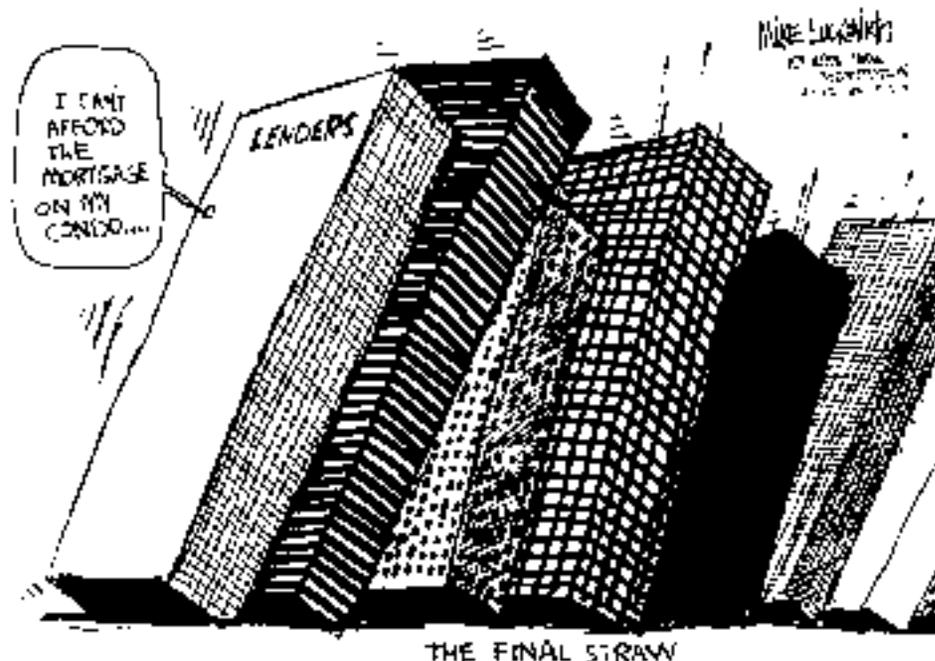
costs. The saving is not negligible: Smokers cost 37 percent less over their lifetime than the healthy-living cohort. If the cost of pensions is included, the amount smokers save us is of course even greater, not to mention the huge gift of taxes from smokers to the community at large.

If health care were entirely a private matter, its cost would be largely irrelevant for public policy. But of course in the UK most health care is provided by the state, through a service that is in financial trouble every year. Cost matters a great deal.

An economist might ask, what about opportunity cost — those years of productive work cut short by early death? Well, smokers tend to die at or after the age of retirement, so those years are few. Probably smokers are productive for a larger fraction of their lives than nonsmokers.

It is hard to avoid the conclusion that although smoking might be bad for the individual smoker, it's fine for society as a whole. If smoking hurts the smoker but saves the rest of us money, if the risks of smoking affect only the smoker but benefit everyone else, then the government simply has no business trying to suppress smoking. Smokers save us all money; they may even be good for society. Perhaps they should be praised rather than despised. After all, they give their lives for their country. CJ

Dr. John Staddon is a professor of psychology at Duke University and adjunct scholar of the John Locke Foundation.



EDITORIAL

N.C. Voters, Choose Wisely

There's a lot riding on the upcoming elections. In North Carolina, 2009 will bring new leaders faced with important decisions to meet critical needs in education, health care, taxation, government regulation, environment, and transportation.

One-third of children in the state don't graduate from high school, and many who do attend college need a year of remedial instruction to catch up. Students are left to languish in failing schools while leaders study what to do next.

Health-care choices are limited and expensive. Current reform means government control. Instead of mandating that people purchase insurance or providing subsidies so the government does, the focus should be on competition to drive costs down and expand access.

The State Health Plan is projected to come up short about \$280 million in months. Mental health services are a disgrace. "Community services" wasted more than \$400 million that should have gone to provide care to the mentally ill. Patients are dying and abused in state hospitals, while the federal government withholds funding.

Taxpayers work hard for their money, but are kept in the dark on where tax dollars go. The state has borrowed up to its credit limit on low-priority needs, leaving little debt availability for critical needs in transportation, crime, safety, and justice. Savings reserve accounts have not been replenished. Recent budget decisions have committed more to recurring expenses than will be available in recurring revenue.

Property rights are the basis of human freedom, and government exists to protect them. Those rights are threatened, and government is over-regulating. Citizens are annexed by cities for services they neither want nor need. Property can still be taken by eminent domain for anything the government decides it wants it for. Government controls how and when water can be used and what can be built on private land, and dictates how private land may be used. Government subsidies are granted to select companies that lawmakers favor, while other companies are regulated out of business.

Efforts to save the planet are costing a fortune and not returning much benefit. Consumers are forced to pay for costly and unreliable sources of electricity, while fossil-fuel regulations stifle construction of new coal-fired power plants and nuclear plants. Reducing carbon dioxide emissions will not affect climate change, but the cuts will cost billions of dollars in jobs and income. There has been too much control of water use and not enough work to expand infrastructure to increase supply.

Roads aren't sexy. Neither are congestion, unsafe bridges, or poorly maintained roads. Transportation needs are expensive. Gasoline taxes do not provide enough money. Scarce funds are diverted to nonroad projects, leaving real road projects unfunded. The Transportation Board is too political.

Leaders who will be elected Nov. 4 will face many tough challenges that require thoughtful attention and bold decisions. There's a lot riding on this one. Choose wisely. CJ

EDITORIALS

Mental Health

Don't make private contractors the scapegoat

North Carolina's state psychiatric hospitals have for a long time now been experiencing serious operational and management woes. In a heart-rending case, a patient at Goldsboro's Cherry Hospital died after being neglected by hospital staff for hours.

Investigators urged the federal government to defund the hospital until patient safety could be assured. Another state hospital, Broughton in Morganton, recently lost an appeal in its bid to regain national accreditation after years of documented problems.

In response, the Left blames "privatization." Huh?

At least Dempsey Benton, the state secretary of health and human services, has a better grasp of the situation. The department announced recently that a private firm will take over management of Cherry, albeit on a temporary basis, while also conducting a management study of the institution.

In reality, the catastrophe in North Carolina's mental-health system didn't happen because of privatization. The state has long made extensive use of private providers

and vendors to deliver mental-health services. The reforms enacted by the General Assembly and implemented (poorly) by the Easley administration didn't originate the use of private contractors.

Instead, they sought to economize on local administrative costs by merging small-county agencies into larger ones.

The reforms went awry for a variety of reasons. The next governor, whoever he or she might be, will have to straighten out the management issues and redefine how the state issues and assesses contracts with mental-health providers.

But few policymakers actually want to replace all or most private providers with state employees. It wouldn't be practical, for one thing, and the scandalous shortcomings of care at state-run psychiatric hospitals hardly constitute an argument for it.

There's no guarantee that contract management of state psychiatric hospitals is a viable long-term approach, but the rush by some to condemn any private activity in this realm shows a gross misunderstanding of the complicated problem. CJ

Welfare Reform

Right was right, Left clearly had it wrong

For the most part, the Democratic and Republican national conventions presented profound policy differences to American voters, on issues ranging from taxes and Iraq to education and abortion. It was interesting, that speakers in both Denver and St. Paul harkened to the welfare reform of the 1990s as a symbol of successful government reform.

It fits the bill in several ways. Welfare reform got its start in the states, not in Washington, with innovative governors such as Wisconsin's Tommy Thompson. In the early 1990s, they experimented with time limits, employment requirements, and other policies designed to transform a culture of dependency into a culture of (subsidized) work.

The results didn't take long to spot — dramatic declines in welfare caseloads, in part because the new rules made benefits less attractive to some potential applicants and in part because the work rules acted as a bridge to the employment market for some recipients who had previously lacked significant work experience.

Washington noticed. After the Republican takeover of Congress in 1994, GOP lawmakers immediately sought to enact federal laws endorsing and expanding the welfare reforms under way in some states. President Clinton opposed the original bill but later signed a reform bill in 1996.

As a bipartisan compromise, the welfare-reform bill attracted criticism from both sides of the ideological spectrum.

The Left screamed bloody murder, predicting massive increases in homelessness and destitution. The Right warned that reforming welfare was not the same thing as ending the welfare state, but would instead replace a cash dole with work-support programs such as day-care subsidies.

The apocalyptic predictions from the Left were clearly wrong. The Right was correct to point out that welfare reform would not necessarily reduce the size and cost of government. It was worth doing on its own terms, however, because the previous system was destructive of families, personal responsibility, and the work ethic. CJ

COMMENTARY

Policy Makers
And Energy Innovation

Will research under way in North Carolina revolutionize the nuclear-power industry and increase the risk of nuclear-arms proliferation?

According to a recent *Christian Science Monitor* piece, that's what some are saying about experimentation at a GE-Hitachi facility in Wilmington with laser-assisted uranium enrichment. An idea scientists have batted around for decades, laser enrichment would be far less expensive than traditional centrifuge technology in producing fuel for nuclear reactors. A 50 percent reduction in fuel costs, the savings some experts predict, would translate into a significant reduction in the overall long-term costs of expanding the nation's electricity generation from nuclear power, a policy that makes sense for myriad reasons.

However, if the research under way in Wilmington and elsewhere pays off, laser enrichment of uranium could also prove to be an attractive technology for states or terror networks to acquire. In the *Monitor* piece, analysts differ on how worrisome the prospect would be. I think even the low-bound estimate is sufficiently risky to merit careful precautions.

I don't think the risk justifies putting the kibosh on the current research effort, though.

For one thing, the notion that shutting down research in America is sufficient to prevent the proliferation of nuclear weapons just doesn't ring true to me. There are plenty of smart people around the world with access to scientific knowledge, equipment, and expertise.

If the U.S. power industry doesn't pioneer laser enrichment, it might take a while longer for the technology to prove itself. But eventually, someone will figure it out. A better strategy against proliferation, it seems to me, is to identify the states who pose the greatest danger to American interests and world peace — Iran comes immediately to mind — and use as many different means as practi-

cal to attempt to make them less dangerous over time.

To pretend that we can protect ourselves from terrorist states by halting our own scientific research is a fool's errand, it seems to me. The long-term goal ought to be to reduce the number of terrorist states. Nonmilitary means are strongly to be preferred, of course, though ruling the military option out completely weakens the effectiveness of those other means, much as ruling out potential prison time weakens the effectiveness of intensive probation.

We shouldn't be Panglossian about the ability of scientific advances in energy policy. The basic practicalities of, for example, transmitting energy from where it is generated to where it is demanded limits the ability of new technologies such as advanced windmills or solar-thermal plants to replace a large percentage of our baseload generating capacity, given that those technologies tend to make the most sense in prairies and deserts far removed from the populous coasts.

But I do think history teaches us not to assume technological stasis. It would certainly be wonderful if future innovations bring us plentiful energy with lower cost. It's likely that such innovation will occur, and indeed we should assume that we can't even guess at some of the fruits that future scientific discoveries will bear.

What is predictable is that if policymakers prematurely rule out future options on the basis of politics, or their own preferences for how their "subjects" should live their lives, the result will be less than optimal. In energy research, I say let a thousand flowers bloom — and be willing to harvest the bounty wherever we might find it, from the desolate tundra of Alaska and the sea bottom off the Carolina coast to the depths of the Earth and even my own backyard.

Though you might have to pay me a bit for the latter. CJ

John Hood is president of the John Locke Foundation.



JOHN HOOD

EDITORIAL BRIEFS

Free Trade and Terror

By opening up the American market to Muslim countries, officials could not only help U.S. consumers, but also serve a larger strategic goal: that of boosting economies which produce large pools of unemployed, embittered youth. The United States can make trade an effective weapon against terrorism, Edward Gresser and Mark Dunkelman write in *The Wall Street Journal*.

The U.S. tariff regime puts many nations in the Middle East, whose young people are susceptible to the sirens of Islamic fundamentalism, at an unintended disadvantage. Apart from oil, very little comes from the Muslim world. The 30 majority-Muslim states of the Middle East provide only 1 percent of U.S. manufactured imports and an even smaller fraction of U.S. farm imports.

In the global economy, these countries should be thriving. Instead, they are experiencing a period of economic disaster. Between 1980 and 2000, their share of world trade fell by 75 percent, and their share of investment fell even faster. The region's unemployment rate became the world's highest, rising to an average of 25 percent for young people.

But will oil, selling at record prices, put these legions to work? Historical experience is not promising. Oil can bring in money, but it also centralizes wealth and power. A comprehensive solution to Middle East economic problems will require efforts to stamp out corruption, improve schooling, and end political oppression. *CJ*

The Decreasing Uninsured

Despite claims that there is a health insurance crisis in the United States, the number of U.S. residents who do not have health insurance actually decreased in 2007, says Devon Herrick, a health economist with the National Center for Policy Analysis. According to figures from the U.S. Census Bureau, the number of uninsured fell from 47 million to 45.7 million. The proportion of uninsured fell half a percentage point, from 15.8 percent to 15.3 percent.

In fact, the proportion of people without health insurance was a percentage point lower in 2007 than a decade earlier. The slight increase in the number of uninsured over the past decade is largely caused by immigration, population growth, and individual choice, Herrick said.

In 2007, nearly 85 percent, or 253.5 million, of U.S. residents were privately insured or enrolled in a government health program.

Nearly 18 million of the uninsured lived in households having annual incomes above \$50,000 and could likely afford health insurance. Up to 14 million uninsured adults and children qualified for government programs in 2004 but had not enrolled.

In theory, about 32 million people, or 70 percent of the uninsured, could easily obtain coverage but have chosen to forgo insurance. That means that about 95 percent of United States residents either have health coverage or access to it. The remaining 5 percent live in households that earn less than \$50,000 annually. *CJ*

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CORRELL



Where's the Next Bubble?

The housing crunch recently marked its one-year anniversary. It was a year ago that the housing market began to stumble. The downturn was led by rising foreclosure rates and greater difficulty for many owners in making home payments.

Explanations abound about why the housing market suddenly turned sour. Fingers have been pointed at lenders, appraisers, builders, and even homebuyers who didn't do their homework to understand the financial implications of buying a home. Everyone wants to find an obvious villain.

My explanation, and the explanation of many economists, is more subtle and less conspiratorial, and it goes like this: In the early part of this decade, in order to combat the 2001 recession and the aftermath of Sept. 11, the Federal Reserve pushed interest rates to a generational low and simultaneously flooded the economy with money and credit. The table was set for a huge borrowing spree.

Residential housing was a likely recipient for this borrowing for three reasons. First, after the dot-com bust, investors were still leery of stocks. Second, demographics supported a big investment in housing.

There were growth spurts in potential first-time homebuyers in their 20s, trade-up home buyers in their 40s, downsizing empty nesters in their 50s, and retirees in their 60s — all primed to jump into residential real estate. And third, a tax law change in the late 1990s effectively eliminating income taxes on profits from the sale of a residence made housing a great investment.

So money and buyers flowed into residential housing. Because the market was "hot," lending standards were in many cases reduced. The attitude was that any bad loans would be bailed out by the constantly rising value of homes. Indeed, in

the mid-2000s, the average home was appreciating more than 12 percent annually. Of course, in some markets the appreciation rate was much greater. Residential housing was viewed as a "can't miss" money maker by developers, lenders, and buyers.

Then the Federal Reserve took the punch bowl away. Beginning in 2005, the Fed began systematically and continuously to raise interest rates and reduce credit availability. This shift in policy hurt the housing market in two ways. First, it reduced the number of people who could buy homes and therefore doused the flames that had been heating up housing prices.

Second, it increased mortgage payments of homebuyers who had used adjustable rate mortgages when rates were very low. These owners became squeezed from two sides — from rising payments on one end and from slower increases in value and, in some cases, decreases in value of their homes on the other end.

Consequently, the roaring housing market turned into a whimper, and even North Carolina has been affected. Housing sales are down, housing prices are softer, and the construction industry has pulled back.

So when will our sniffles end and brighter days return to real estate and residential housing? Unfortunately, most experts think the answer is "no time soon." The essential problem is that there are too many houses for sale compared to the number of buyers.

There are many lessons to be learned from the housing crunch, but certainly an important one is: Watch the Federal Reserve. Like no other institution, it has the buttons to push that can move the economy — both up and down.

With the Fed today in "stimulate" mode, many are already asking: Where will the next big investment bubble be? Stay tuned. *CJ*

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



MICHAEL WALDEN

Newt Gingrich: The GOP's Idea Man

It is a cliché, but ideas matter in political campaigns. The pundits and the elite media have, in their infinite wisdom, branded 2008 a “change” election. Both John McCain and Barack Obama want to reform the Washington establishment and have sought to define change to fit their respective party's world-view.



**MARC
ROTTERMAN**

Sounding the clarion call for “real change” early in this election cycle was former Speaker of the House Newt Gingrich. In his book *Real Change*, Gingrich outlines transformational policy prescriptions that work for America, and in the process provides the GOP with a playbook for success.

Gingrich points out that, contrary to popular opinion, we are not a nation divided between conservative red states and liberal blue states, and that there is much more that unites us on almost every important issue facing this country.

The real division is between red, white, and blue America — about 85 percent of the nation's voting population — and the fringe Left — about 15 percent of the country.

Gingrich also takes on his own party for failing to stick to its convictions, and he chastises Republicans for being spineless. He is also hard on Republicans for buying into the myth that they can better manage big government than the Democrats. Gingrich points out that this is a trap that results in managing failure and ultimately the decline of America.

He recognizes that this is still a center-right nation and that the center-right majority has a much better handle on the issues facing this country than does the bureaucracy in Washington.

He also focuses on what unites Americans. Following are a few areas:

* Ninety-four percent of Ameri-

The real divide in America is between red-white-blue America and the fringe Left

cans support a moment of silence for children to pray in public school if they chose to.

* Seventy-three percent of Americans support offshore drilling.

When Gingrich's issue

advocacy group American Solutions for Winning the Future surveyed Americans and asked whether they would support building more nuclear power plants to cut carbon emissions and to reduce our dependency on foreign oil, 65 percent said yes.

Gingrich, with his endless capacity to get things done along with American Solutions, has driven one of the GOP's hottest issue campaigns this summer and in the process collected 1.4 million signatures on a “drill here, drill now, pay less” petition.

The issue of offshore drilling has also helped inspire a GOP resurgence in the House over the August recess, featuring daily speeches lambasting Democrats for failing to expand off-

shore oil drilling.

If you haven't noticed, House Speaker Nancy Pelosi has dropped her staunch opposition to a vote on offshore oil drilling in the House.

And, from a purely Machiavelian point of view, every major Republican from McCain on down now has a winning issue to contrast with his opponent.

Offshore drilling has helped nationalize this election.

Whether it was leading congressional Republicans out of the wilderness and into the majority in 1994, securing our borders, reforming and scaling back government, or winning the War on Terror, Gingrich's ideas always have been on the cutting edge. His ideas and strategic vision will undoubtedly help shape the 2010 mid-term congressional elections.

Although it is early, if he chose to run, he would be a strong contender as a candidate for president in 2012.

CJ

Marc Rotterman is a senior fellow of the John Locke Foundation and a former member of the board of the American Conservative Union.

Spokesman: Jones Supports Offshore Drilling

To the editor,

I just saw the article, “Recent Polls Show Energy Now Top Concern for Americans,” and was struck by a factual error that requires immediate attention.

The article states: Reps. Bob Etheridge, D-7th; Brad Miller, D-13th; David Price, D-4th; and Walter Jones, R-3rd, support drilling, but not offshore drilling.

This is incorrect.

The information I sent you noted Congressman Jones' co-sponsorship of H.R. 6566, the American Energy Act, and H.R. 6009, the Affordable Fuel for Consumers Act. I've attached the text of both bills for your reference. Sec. 112 of H.R. 6566 includes a provision to allow states the option of offshore drilling, as does Sec. 322 of H.R. 6009.

Congressman Jones does not oppose offshore drilling. Congressman Jones believes the option should be left up to each state on whether or not to allow offshore drilling off its coast. Because of the lack of adequate funding

for coastal projects such as dredging and beach nourishment, he thinks a state should receive a share of the revenue gained from oil or gas royalties if it chooses to allow drilling off its coast.

Just a couple of the many examples that illustrate Rep. Jones' position:

- 2005 vote in the House Resources Committee — Rep. Jones voted in favor of bill language (in the Offshore State Options Act) to give states the power to decide whether to allow oil or natural gas development off their coasts.

- Rep. Jones voted in favor of the Deep Energy Resources Act of 2006, which would give final authority over offshore drilling decisions to the states, and allow states to share in any profits if they choose to allow offshore drilling.

Kathleen Joyce
Press secretary
Office of Congressman Walter
B. Jones (NC-03)

To the editor,

Right on about Triangle rail being a waste of money! We don't need to spend millions to give a few people memories of living up North.

Give me my car any day (I work third shift) and don't make me pay for your transportation is my comment to

the “TT-trained people.”

Harriet Moser
Durham, N.C.

To the editor,

Your parody was very misleading and contained FACTS about Ms. Easley but FALSEHOODS about the RPT at NCSU. This may be a joke to you, but a very serious matter to the folks in the Roanoke Valley.

Roy Dixon
Roanoke Rapids, N.C.

To the editor,

It's always refreshing when the state legislature acts in a swift, bipartisan manner to remedy a problem.

As a Wake County commissioner and as someone who has worked in health and human services for most of my life, I applaud the General Assembly for passing its property tax bill (SB 1878) with a key amendment preventing county governments from taxing the free drug samples doctors hand out to patients.

Had the Assembly not intervened, and had more counties tried to tax drug samples — as Guilford did a few weeks

ago — doctors might have been faced with a terrible decision: continue giving out the free samples and be forced to pay taxes for their good deed, or stop distributing the samples and decrease quality of care.

Having worked for the county and now as an elected county official, I understand well the challenges local governments face in raising revenue. But taxing free prescription drug samples is not the answer.

The samples help doctors serve patients by allowing for flexible, timely treatment of ailments, and by providing drugs to those who desperately need them, but who otherwise might be unable to afford them.

Thanks to timely legislation by the General Assembly, this good deed will (continue to) go unpunished.

Lindy Brown,
Wake County Commissioner

To the editor,

Thanks for your publication! I'm the Strategic Business Partner Developer for a major log home manufacturer in Rocky Mount and look forward to keeping up with current business issues.

Renee T. Warren
Battleboro, N.C.

Bowles Consults UNC Oracle on Difficult Decisions (a *CJ* parody)

BY ARI DELPHINUS
Spirituality Scribe

CHAPEL HILL

When faced with tough decisions, Erskine Bowles consults with the official UNC Oracle, the Parting Shot staff has learned.

The Oracle is mounted on the wall in the Board of Governors meeting room in Chapel Hill. Most observers have thought this was simply a representation of the Board of Governors' logo, but Parting Shot has learned it has ancient ties to the Greek oracles of the past.

The Oracle was consulted most recently when Bowles was thrust into a difficult situation after N.C. State officials approved an 88 percent pay raise for first lady Mary Easley.

The decision boosted her annual salary to \$170,000. NCSU violated established procedures by not bringing the large pay raise to the UNC Board of Governors for approval before granting the raise.

Bowles put her raise on hold until the board could consider it at the regularly scheduled meeting Sept. 12.

In an exclusive interview with Parting Shot, Bowles admitted that he and board Chairwoman Hannah Gage went into "double-secret closed session" to seek advice from the Oracle. Rumors



The Board of Governors, shown shortly after consulting the official UNC Oracle at their recent meeting. For years, observers were unaware of the soothsaying properties of what they thought was simply the UNC System's logo. (a *CJ* doctored photo)

of the Oracle circulated for years, but no previous UNC presidents would discuss it with the media. Bowles decided to make a clean breast of the issue.

"I am a stand-up guy, and the public has a right to know how we do business," he said. Only Bowles as the president, and Gage, as chairwoman, are allowed access to the Oracle, Bowles disclosed.

"Consulting the Oracle is a little spooky. After we cleared the room of

everyone but Hannah and myself, we turned down the lights and said the required incantations," he said.

"The Oracle's eyes turned scary, steam came out of its mouth and nostrils, then we heard a voice that sounded a lot like former Gov. Jim Hunt with a bad cold."

"What can I do for you, Erskine?" the Oracle asked.

Bowles said he replied, "There is something about Mary we need your

guidance on. Should we approve her job?"

The Oracle replied, "Yes, but put some lipstick on that pig." Having kept up on current events, quickly added, "The pig being the job, of course, not Mary!"

Bowles told the Oracle he understood the instructions. He changed Ms. Easley's job from nine months per year to 12 months and required her to raise a third of her pay from private funds.

"That was the lipstick," he said.

After Bowles relayed the Oracle's advice to the board, it unanimously approved Ms. Easley's new Oracle-inspired pay and job description.

Bowles said he has used the Oracle only three times since becoming the system president and only when faced with a very tough decision.

"If I used it a lot, people might think I was weak and indecisive," he said.

Bowles said he consulted the Oracle to help develop a policy dealing with illegal aliens in the UNC system. He also consulted the Oracle before making personal investments in waterfront properties in eastern North Carolina.

"I am a very busy man, and there are no laws prohibiting me from using the Oracle for personal business decisions," he said. *CJ*

E.A. MORRIS

FELLOWSHIP FOR EMERGING LEADERS

The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2009 Fellowship class.

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Application deadline is November 15, 2008



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