

Raleigh regulations kick food trucks to the curb/10



CAROLINA JOURNAL

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

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STATEWIDE EDITION

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Why Didn't Perdue Use Cheaper State Plane?

Campaign could have saved money by renting state aircraft

BY DON CARRINGTON
Executive Editor

On Dec. 8, 2007, Lt. Gov. Bev Perdue flew from Horace Williams Airport in Chapel Hill to Manteo, where she attended a midday campaign event involving state Senate President Pro Tem Marc Basnight. The chartered flight, on a Beechcraft King Air aircraft, originated in Hickory, touched down in Chapel Hill, flew to Manteo, and then retraced its original path.

Perdue, who was running for governor at the time, was on the aircraft for only 340 of its 640 miles aloft. Perdue's campaign committee reported to the State Board of Elections that



Gov. Beverly Perdue



The Perdue campaign says it spent \$4,243 to use this private Beechcraft King Air to go to an event in Manteo in December 2007. (CJ photos by Don Carrington)

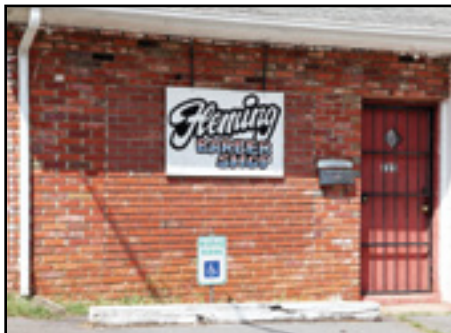
the flight, chartered by Morganton businessman Charles "Mike" Fulenwider, was paid for by two other Morganton residents — James Fleming and Ola Caldwell — and was recorded Dec. 10 as an in-kind contribution of \$4,243.

If true, for this trip the Perdue campaign chose to spend an extra \$2,700 for a flight that, in addition to being more costly, was also more inconvenient and less efficient.

For, while Perdue was using the private plane to get her to Manteo that day, an identical Beechcraft King Air, managed by the state Department of Commerce, and kept at Raleigh-Durham International Airport, sat unused. The state plane,

available for use by top government officials, could have been used by the Perdue campaign for \$1,500, roughly one third the cost of the Hickory-to-Manteo flight.

The Dec. 8, 2007, flight was not the only occasion the campaign used a convoluted and costly method to transport Perdue by air to political events. Indeed, reports presented to the elections board in June and August indicated several dozen flights that were arranged by donors — many of whom do not regularly provide air charter services — when under a more efficient and transparent system, the campaign would



The Morganton barber shop owned by James Fleming, who, according to the Perdue campaign, paid the bulk of the cost for the December 2007 flight to Manteo.

Continued as "Why," Page 14

State Elections Board hasn't interviewed donors about flights

BY DON CARRINGTON
Executive Editor

While reports from the State Board of Elections and in the news media indicate that more than 30 individuals were involved in providing dozens of illegal or improperly reported flights for Gov. Bev Perdue and her predecessor, Mike Easley, only one — Raleigh businessman McQueen Campbell — has been questioned under oath by the State Board of Elections.

Elections Board Chairman Larry Leake acknowledged to *Carolina Journal* that the board has questioned only one flight provider under oath at a public hearing, and, further, that it has not taken sworn testimony from any campaign workers about the questionable flights. Leake, a Mars Hill attorney, has served on the board for 18 years, the past 14 as chairman.

He did not explain the board's apparent lack of interest to date in the individuals who provided the questionable flights and the campaign staff members who arranged them.

In October 2009, the board fined the Easley campaign \$60,000 for the free flights from Campbell and an additional \$40,000 for the cost of the public hearings. Other providers of free flights identified in a *News & Observer* story were issued subpoenas, but were not called to testify.

Among those subpoenaed but not questioned under oath are:

- Rusty Carter, a Wilmington businessman who was fined \$100,000 by the board Sept. 29 for paying em-



Peter Reichard

Continued as "Many," Page 15

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A sign in Morganton promotes businesses owned by Michael Fulenwider, who arranged the Dec. 8, 2007, flight for then-Lt. Gov. Beverly Perdue.

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Perdue's Budget Commission Largely Invisible

By KAREN MCMAHAN
Contributor

RALEIGH

Two days after taking office in January 2009, Gov. Bev Perdue signed Executive Order No. 5, establishing the North Carolina Budget Reform and Accountability Commission, charged with making state government more efficient and effective. The commission's goal is to consolidate and streamline state services and programs to reduce costs and ensure established public goals are being met without sacrificing core services.

To date, the commission has made several recommendations adopted by the General Assembly that should save millions of tax dollars over time. But it's been difficult for the public to learn much about the commission's work. And with the state facing multibillion-dollar deficits for years to come, critics say BRAC must get much more aggressive if it is to live up to the goals Perdue articulated initially.

A budget reform commission is not a new idea. The state has had several dating back to 1973. Former Gov. Mike Easley formed a similar group in 2002.

Yet despite budget reforms, state government employment in North Carolina from 2003-08 rose at a non-seasonally adjusted rate of 13.2 percent, and the state's debt more than doubled during Easley's eight years as governor.

Fees used as a backstop

Since Perdue became governor, rather than making structural cuts to the budget, the General Assembly has used more than \$1 billion in federal stimulus funds; hiked sales, corporate, and income taxes by \$1 billion; and introduced a host of new fees and raised existing fees to close its 2009-10 budget shortfall.

With lawmakers saying the state faces a \$3 billion budget shortfall next year, North Carolinians may feel justified if they're experiencing a sense of déjà vu.

With the exception of the state budget director and governor's policy director, who serve as non-voting ex-officio members, Perdue appoints BRAC's members from the business community, government, and academia. The State Budget and Management Office and the Governor's Policy Office provide professional, administrative, and staff support services to BRAC.

In March 2009, Perdue announced initial appointments to the commission, including co-chair Norris Tolson, the president and CEO of the North Carolina Biotechnology Center, former secretary of the North Carolina departments of Revenue, Transportation, and Commerce, and a retired DuPont executive. The other co-chair is Hilda Pinnix-Ragland, vice president of corporate public affairs with Progress Energy, chair of the State Board of Community Colleges, and past auditor with Arthur Andersen & Co.

Other members include Dan Gerlach, president of Golden LEAF and former senior budget adviser to Easley; Norma Houston, former chief of staff and general counsel to State Senate President Pro Tempore Marc Basnight and lecturer in public law and government at the School of Government at the University of North Carolina at Chapel Hill; Charles Sanders, retired CEO and chair of Glaxo Inc.; Curtis Clark, global director for regional and local government with IBM and former deputy state controller for information resource management; and Ron Penny, chair of North Carolina Central University's department of public administration and former director of the North Carolina Office of State Personnel.

Apart from some media reports of BRAC's activities,

scant information is available on the section of the governor's website devoted to the commission. A year and a half since the commission was formed, the website fails to provide reports of its activities or even a list of members, but it does link to the executive order establishing the group and a list of meeting dates with an agenda attached for each. At press time, the site listed the "next meeting" date as Wednesday, May 10 (which already has passed), but *Carolina Journal* has learned that another meeting is expected to take place in October.

The site also includes an online form for individuals to submit ideas for review.

After several unsuccessful attempts to reach BRAC's co-chairs, Tolson and Pinnix-Ragland, *CJ* contacted Mark Johnson, a spokesman for Perdue. "BRAC's reports and recommendations have resulted in significant legislation," said Johnson, citing as examples the state's reform of the Alcoholic Beverage Control system, its sale of underused state aircraft, the elimination of the special project required for high school seniors to graduate, and changes in state procurement and contract rules to promote greater transparency



Gov. Bev Perdue with BRAC co-chairs Norris Tolson and Hilda Pinnix-Ragland at an August 2009 meeting of the commission. (Governor's Office photo)

and competition.

Gerlach shed light on BRAC's recommendations for reforms in North Carolina's Department of Health and Human Services. Gerlach said BRAC recommended the state invest in new technologies to detect fraud and abuse in Medicaid, which has long been one of the fastest growing parts of the state budget, and estimated savings of \$37 million in the first year. Although House Bill 190, the legislation incorporating these recommendations, died in committee, the fraud and abuse software provisions were adopted by the General Assembly in the 2009-10 budget and are expected to generate recurring cost savings.

Gerlach said the General Assembly also adopted BRAC's recommendation to cut overall Medicaid expenditures by expanding care management services to include palliative care, which reduces the severity of symptoms of chronic diseases and avoids costlier emergency care.

Three other recommendations from BRAC were considered key issues for the short session of the General Assembly by the North Carolina Center for Public Policy Research: deploying new computer software to uncover Medicaid fraud; consolidating the state's IT operations; and privatizing custodial services in prisons.

Perdue vowed to cut the state's nearly 400 boards and commissions. Earlier this year, she submitted to the General Assembly a list of 48 for possible elimination or consolidation, but Johnson said the legislature took no action. The legislature's decision to reform the ABC boards rather than privatizing them led some critics to say lawmakers have no interest in significant government reforms.

Possible redundancy

In 2007, the General Assembly created the Program Evaluation Division, a separate unit in the legislature charged with examining whether government services are being delivered effectively and lawfully.

State Rep. James Crawford, D-Granville, one of the co-chairs of the legislative committee that oversees the division, told *CJ* this group conducts in-depth examinations of eight to 10 state programs each year, whereas BRAC is supposed to review all of state government.

Crawford said more work is needed because lawmakers will have to cut a minimum of 12 percent to 15 percent in the next fiscal year before the state can balance its budget, and no lawmakers want to talk about raising taxes when they're running for re-election.

CJ

Instant Runoff for State Court of Appeals Race: How Will it Work?

BY SARA BURROWS
Associate Editor

RALEIGH

North Carolina will be the first U.S. state to test instant runoff voting in a statewide general election this November.

The method is being used to fill a state Court of Appeals seat that opened up too late for the state to schedule a primary. The instant runoff method would help the state avoid holding a traditional runoff election should none of the 13 candidates get more than 50 percent of the vote.

If all goes smoothly, the General Assembly might consider expanding the use of instant runoff voting to partisan races, which could be good news for third parties.

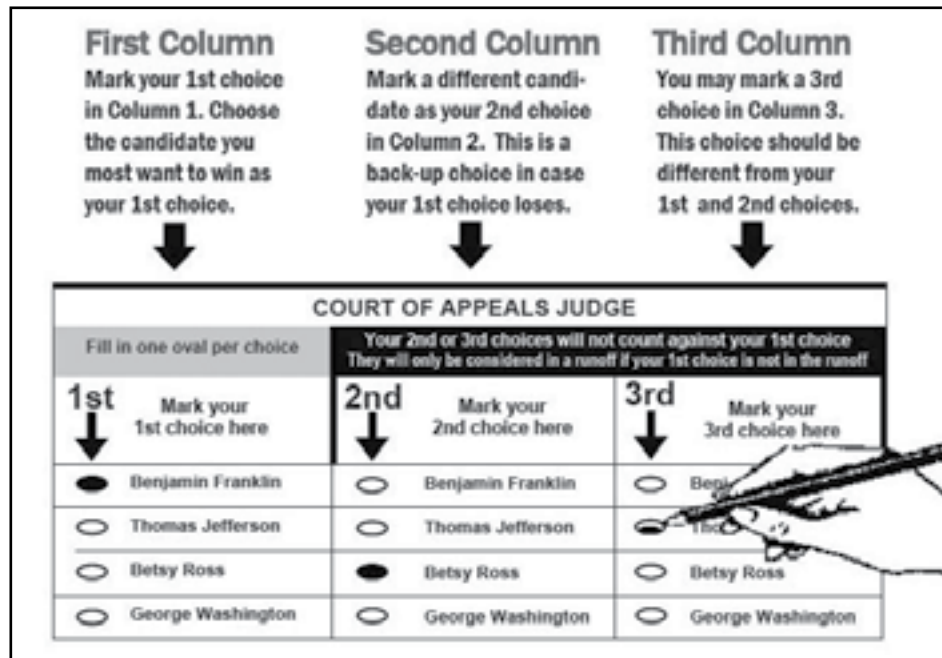
Supporters of the system say that deciding the winner in a single race is much less costly than holding a second election if no candidate receives a majority in the first tally. Letting voters choose and rank several candidates also lessens the chances that large numbers of voters would be denied the opportunity of selecting a candidate they agree with, they say.

Here's how the instant runoff election — which will be part of the regular general election process — will work:

- Voters will mark their first-, second-, and third-choice candidates on the ballot.

- First-choice votes will be counted at the polls on election night. Any candidate getting more than 50 percent will win.

- If no one gets more than 50 percent in the initial tally, a second round of counting will take place. Ballots selecting either of the top two vote-getters will be placed aside; those candidates will enter the instant run-



Above is an example of an instant runoff ballot provided in the voter guide produced by the State Board of Elections for the Court of Appeals election. (Source: <http://www.sboe.state.nc.us/content.aspx?id=29>)

off.

- Officials will hand sort remaining ballots. Any selecting one of the two runoff candidates as the voter's second choice will be tallied.

- Remaining ballots again will be sorted by hand. Any indicating one of the runoff candidates as the third choice will be counted.

- Ballots indicating neither of the runoff candidates as the voter's first, second, or third choices will be thrown out.

- Second- and third-place votes will be added to first-place votes. The runoff candidate with the highest total will win.

Good for third parties?

Michael Munger, political science professor at Duke University and

a former Libertarian gubernatorial nominee, thinks instant runoff voting is "great" for several reasons.

It gives people an alternative to voting for the lesser of two evils, he said.

"The current system forces people to vote for someone they don't like to keep the person they hate out of office," Munger said. "We're always voting our fears."

Instant runoff voting, he said, gives people the chance to "vote their dreams."

When Munger ran for governor in 2008, he said he heard a lot of people say, "Oh, I'd sure like to vote for you, but I'm afraid Perdue will win, or I'm afraid McCrory will win."

With instant runoff, voters could have selected Munger as their first choice, and McCrory as their backup choice, without "throwing away" their vote.

Is it fair that an instant runoff election would allow one voter's second choice to count just as much as another voter's first choice?

"Voters should be able to vote for the party of their choice without causing their least preferred alternative to win," Munger said. "That's what's fair."

The U.S. Constitution, Munger said, "guarantees freedom of association and the right to petition for redress of grievances. Those two things are what parties do. Anything that prevents third parties from participating fully and fairly is not just unfair, it's

unconstitutional."

The prevailing system of first-past-the-post prevents third parties from participating, he said.

The costs and benefits

Counties will have to hire extra poll workers to sort the ballots by hand, but instant runoff voting still is "much cheaper" than traditional runoff elections, said State Board of Elections Executive Director Gary Bartlett.

"I'm guessing it would be 25 percent of what it would cost to hold a runoff election," he said.

Voter participation is another concern. Some worry the instant runoff section of the ballot will appear too complicated and that voters will just skip over it.

But Bartlett expects the "drop-off" for the Court of Appeals race will be the same. He said special voter guides have been mailed out, and poll workers will offer to explain instant runoff voting to anyone who has questions.

There's also the question of whether voters who don't select either of the two runoff candidates as their first-, second-, or third-place choice would be disenfranchised. Under a traditional runoff, voters could select from the top two finalists, so their preference would be known in the second round of voting.

But turnout for runoff primary elections has been between 2.5 percent and 8 percent over the last 20 years, Bartlett said. Turnout for this election is expected to be between 45 percent

and 50 percent.

"It gives a larger percent of people a chance to participate in the runoff," he said.

Munger said traditional runoffs are distorted because they represent only a small percentage of the most extreme and partisan voters.

Will November's Court of Appeals race be the only appearance in North Carolina of instant runoff voting?

"It all comes down to whether the voters like it or they don't like it," Bartlett said.

"If the voters like it and the candidates think it's fair, then the General Assembly needs to look at expanding it and getting us automated software for it."

Purchasing and installing the software, Bartlett added, would cost less than the \$5 million it takes to run one statewide election. CJ

Extra poll workers will have to be hired to sort ballots by hand, but supporters say this is will be cheaper than holding a runoff

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N.C. Briefs

Mandates hurting rebound

Business owners trying to navigate the maze of new government mandates and restrictions are not racing to add new jobs in North Carolina. The John Locke Foundation's top budget expert offers that assessment of the state's latest unemployment data.

The N.C. Employment Security Commission's newest report lists the state's unemployment rate at 9.7 percent for August, down one-tenth of a percentage point from July's rate of 9.8 percent.

"From ObamaCare to financial regulation reform to the various stimulus bills oozing out of Washington, D.C., Congress has created new sets of rules and regulations that will have a major impact on businesses' bottom line," said Joseph Coletti, JLF director of health and fiscal policy studies. "And that's not all. These new laws allow bureaucrats to write even more rules and regulations — hundreds of them."

"Like a driver who pulls onto a highway and isn't sure of the speed limit, most business owners will proceed with some extra caution until they get a good sense of the rules of the road," Coletti added. "That means bad news for efforts to boost the number of new jobs in North Carolina."

Transit trouble

Public transit costs much more money than driving, and North Carolina transit systems require huge subsidies to attract any riders at all. A leading national transportation expert reaches those conclusions in a recent John Locke Foundation Spotlight report.

"Public transit costs an average of \$1.15 per passenger mile in North Carolina, and nearly \$1 of that total is subsidized," said report author Randal O'Toole, senior fellow at the Cato Institute. "That's more expensive than the national average cost of 90 cents per passenger mile, with a subsidy of more than 70 cents from nontransit users."

Breaking down the numbers even further, N.C. bus transit requires subsidies averaging 85 cents per passenger mile, while subsidies to Charlotte's light rail system are "several times greater," O'Toole said. "Overall, North Carolina transit riders pay an average of 72 cents every time they board a bus, while taxpayers pay an average of more than \$3 to support that trip."

Those numbers dwarf the cost of driving in North Carolina, O'Toole said. CJ

Kerner-Hoeg Leaves Citizen-Soldier Post

By DAVID N. BASS
Associate Editor

RALEIGH
A state worker criticized for incurring tens of thousands of dollars in taxpayer-funded travel left her job at the end of June, but records show that she continued incurring curious travel expenses in the waning days of her employment.

As *Carolina Journal* reported in 2009, Susan Kerner-Hoeg, director of military relations for the Citizen-Soldier Support Program, racked up \$76,558 in travel reimbursements over the last three years. Until departing June 30, she was CSSP's second-highest-paid employee at \$129,600 annually.



Susan Kerner-Hoeg (UNC photo)

The program, housed under the Odum Institute for Research in Social Science at the University of North Carolina at Chapel Hill, is meant to assist combat veterans returning from Iraq and Afghanistan. The initiative is funded by a \$10 million federal defense appropriation, half of which U.S. Rep. David Price, D-4th District, obtained with an earmark.

An internal university review released last year, however, condemned the program for having an "ambitious and ill-defined" mission, misappropriating funds to irrelevant activities, and potentially overpaying its employees. That led to cutbacks and layoffs.

Kerner-Hoeg's role was part of the overhaul. Previously, she had worked from her home near Washington, D.C., and commuted to Chapel Hill several times a month, submitting reimbursements for airfare, car rentals, and hotels. Her travel was curtailed beginning late last year.

Kerner-Hoeg's departure will help CSSP shore up its budget, said CSSP's executive director Bob Goodale. They won't seek a replacement, he said.

"She's been a real asset," said Goodale, who also served in the Hunt administration. "I'll miss her in terms of connecting with resources up [in Washington]."

Travel records show that CSSP kept reimbursing Kerner-Hoeg for travel in 2010, although less frequently.

Once in January and again in March, Kerner-Hoeg drove from her home in Annandale, Va., to Chapel Hill and got reimbursed for mileage. On both trips, however, she rented a car upon her arrival in the Triangle and expensed it rather than use her personal vehicle to attend meetings in the area, apparently leaving her own car unused.

The mileage reimbursement for the use of her personal car for both trips was about \$500 at 50 cents per mile. The combined cost of the rental cars for use once she arrived was about \$619.39.

Asked why her personal vehicle wasn't available for local use, Goodale said the information couldn't be released under public records laws.

"We can't [disclose it], and that's just what it is," he said. "I can't comment further than that."

In an e-mail, Goodale said that he had deemed the arrangement "the most cost-effective way for our office to support her university business activities for both trips."

The reason why Kerner-Hoeg's personal vehicle wasn't available is a personnel record not subject to disclosure, officials say. Only specific employee information — such as salary and age — can be made public.

"All other information specific to an employee is part of his or her personnel file and is confidential with few exceptions," said Regina Stabile, an attorney with UNC-Chapel Hill.

Records show that Kerner-Hoeg traveled far less in 2010 compared to past years, getting reimbursed for almost \$3,000 in mileage, lodging, and meals. On one occasion, the U.S. Army picked up her tab for lodging and airfare for a trip to Phoenix, Ariz.

CSSP had \$2.2 million on hand at the end of March. It received a no-cost program extension through the end of the current calendar year, and Goodale said he'll request another for 2011. Meanwhile, he's looking for new sources of public and private funding.

"We are really working to get other funding," Goodale said, "and I think the prospects are very good for

that to happen."

Last fall, the program shed three employees but kept its highest earners — Goodale (\$130,000 per year), Kerner-Hoeg, and deputy director William Abb (\$120,000 per year) — on staff. That means until recently, half of its six full-time employees took home six-figure salaries.

Peter Leousis, deputy director for the Odum Institute, was CSSP's director for two years before Goodale replaced him. Leousis still serves as principal investigator for the program and earns almost six figures.

High salaries were one of a laundry list of criticisms in the UNC-Chapel Hill review. In one case, "a staff member was paid approximately twice what other UNC employees would typically receive for similar work," and there were "several other cases in which salaries were substantially higher than those for comparable employees on campus," officials wrote.

The review also questioned pricey payments to contractors. CJ revealed that CSSP paid \$150 an hour to Kansas-based consultant Kent Peterson "for strategic thinking and action" that included "developing and disseminating" the program's bimonthly newsletter. Payments amounted to hundreds of thousands of dollars.

During that time, Peterson was considered director of community relations. Officials called his management role "not appropriate" given his out-of-state status.

Until recently, CSSP rented offices on the second floor of a minimall in downtown Carrboro. Goodale said the program now has moved to the Odum Institute's location at Manning Hall on the UNC-Chapel Hill campus and isn't paying rent. CJ

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Federal Food Safety Legislation Hits Snag over Unfunded Costs

BY KAREN McMAHAN
Contributor

RALEIGH

In the wake of the recent egg salmonella scare, the U.S. Senate appeared ready to vote on S. 510, the FDA Food Safety Modernization Act, despite widespread opposition from groups representing small farms and small food-processing facilities. They say the proposed regulations are unnecessary, redundant, ineffective, and threaten small farm viability.

Sen. Richard Burr, R-N.C., is an original co-sponsor of the bill. Both he and Sen. Kay Hagan, D-N.C., serve on the Senate Health, Education, Labor, and Pensions Committee, which held hearings on the proposed bill. Several groups that do not support the bill told *Carolina Journal* that both Burr and Hagan have worked to make it less onerous.

The latest snag to the bill's passage came Sept. 15 and remained at press time. Sen. Tom Coburn, R-Okla., and Senate Majority Leader Harry Reid, D-Nev., have sparred, among other things, over the bill's cost, estimated at \$1.6 billion over five years because it's not funded. Coburn outlined his concerns about the bill on his Senate website.

'More money solves nothing'

"More money and more regulations solve nothing when Congress lacks the discipline to hold agencies accountable," said Coburn. With 15 agencies, including the Food and Drug Administration, U.S. Department of Agriculture, and even the Environmental Protection Agency now regulating food safety, Coburn said a lack of regulations isn't the problem. In-



More than 300 million eggs were recalled in the most recent salmonella outbreak. (CJ file photo)

stead, Coburn has cited "inconsistent oversight, ineffective coordination, and inefficient use of resources" for gaps in enforcement.

FDA Commissioner Dr. Margaret Hamburg admitted that had rules proposed 10 years ago been finalized and implemented, the problems on the farm where the salmonella outbreak originated likely would have been identified before it occurred.

Still, the bill authorizes no fewer than 5,000 new federal employees by fiscal year 2014 to implement the provisions, plus another 150 field staff in food defense by fiscal year 2011.

Proposed regulations

The proposed regulations grant broad authority to the FDA regarding performance standards, product traceability, and produce safety standards. The bill also would grant mandatory recall authority and lower the threshold for detaining food deemed adulterated or misbranded. Critics say these

provisions are unlikely to make the food supply safer and may instead give the public a false sense of security.

Three new grant programs would increase spending by \$335 million from 2011-15. These grant programs, along with the establishment of "Centers of Excellence" at selected state health departments, would likely mean more government hiring at the state and local levels. Once the grants expired and federal funds were exhausted, state and local taxpayers would have to foot the bill to keep the personnel.

The school-based allergy and anaphylaxis management grant program, for example, establishes federal standards for how local schools should deal with food allergies. And yet the Centers for Disease Control and Prevention already have published standards for schools, making the standards redundant in the view of critics.

Effects on North Carolina

Roland McReynolds, executive director of Pittsboro-based Carolina Farm Stewardship Association, told *CJ* that "the bill creates the potential for applying large-scale industrial standards and recordkeeping requirements to small farms, making it harder for existing farms to survive and discouraging agricultural entrepreneurship."

A report McReynolds prepared for policymakers shows direct-to-consumer sales of FDA-regulated crops totaled \$1.1 billion in 2007, and Tar Heel farmers sold over \$52 million of organic produce in 2008. The number of fruit and vegetable farms in the state increased 11 percent from 2002 to 2007.

North Carolina has 45,000 small farms, but 91 percent gross under \$50,000 annually and have fewer than 20 employees, McReynolds said.

The increased cost for a typical small farm doing on-farm processing to create and comply with the expanded Hazard Analysis and Risk-Based Preventive Controls in the bill would be \$9,500 annually, according to Chris Hardin, operator of Rivendell Farm in Mecklenburg County. That cost would

increase to \$20,000 in the first year if the farm needed to hire an outside consultant.

Compliance costs

In April, PlanetGreen.com cited a study from the University of California at Davis showing compliance costs for small farms could be as high as \$100 an acre. The new rules mean not only increased recordkeeping and inspections but also different standards for different foods.

Debbie Hamrick, director of specialty crops with the N.C. Farm Bureau Federation, said her organization has not taken a position on the bill, but added that the amended version of the Senate bill is better than the tougher House version (H.R. 2749) passed in March.

Hamrick said her group and others are concerned because they've heard the FDA has had a broad group of stakeholders working on food safety regulations for more than a year. It seemed a foregone conclusion that sweeping regulations were coming, so it's really a matter of working very hard with lawmakers to make the bill "more palatable," Hamrick stated.

Both Hamrick and McReynolds said farmers worry because the produce safety standards will authorize the FDA for the first time to enforce rules on how to grow fruits and vegetables at every farm, regardless of the farm's size or the potential risks associated with growing, shipping, or consuming the produce.

Sue Johnson-Langdon, executive director of the North Carolina Sweet Potato Commission, told *CJ* that the Tar Heel State is the biggest exporter of sweet potatoes into the U.K. and the European Union. Those entities have even tougher certification standards than the U.S., and every Tar Heel shipper complies with those standards.

Sen. Jon Tester, D-Mont., an organic farmer, has sponsored two amendments that would provide some limits on the traceability and recordkeeping requirements for facilities based on average annual adjusted gross income and whether the farm sells directly to consumers. Hagan recently announced her support of the Tester amendment, saying she wants to protect small farms.

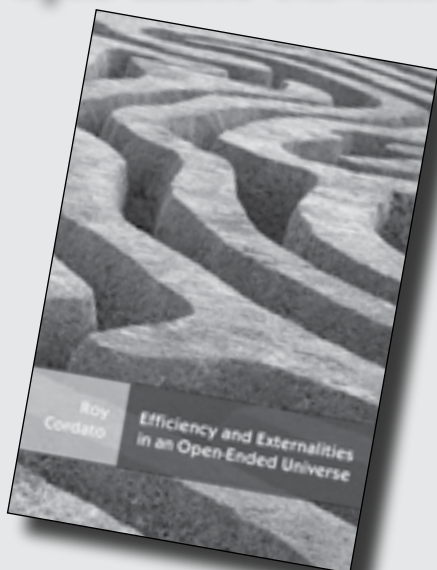
Burr's support for the food safety bill seems out of character with his opposition to other costly legislation, including the president's health reform law. In a written statement to *CJ*, Burr spokesman David Ward said, "Senator Burr recognizes that a one-size-fits-all approach does not work when it comes to our nation's farms and small businesses, and he has been working tirelessly to shape a bill that does not result in an FDA takeover of the farm." *CJ*

BOOKS AUTHORED BY JLF STAFFERS



By Roy Cordato
Vice President for Research
John Locke Foundation

Efficiency and Externalities in an Open-Ended Universe



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Israel Kirzner
Cato Journal

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COMMENTARY

Teacher Effectiveness And Transparency

Is it possible to measure teacher effectiveness? For decades, public school principals have subjected teachers to a battery of observations and evaluations purportedly designed to assess the quality of classroom instruction. Rather than yield appreciable information, however, these kinds of teacher assessments merely served as one of the few formal requirements needed to attain lifetime job security, also known as tenure.

On the other hand, the "value-added" method of teacher evaluation continues to show promise as an objective and reliable assessment of teacher quality. Value-added analysis uses standardized tests to estimate teacher effectiveness. This powerful evaluation method employs advanced statistical techniques to project the future performance of individual students based on their past performance. The difference between the projected and actual performance of students determines the value added or subtracted by the teacher.

Value-added analysis has upended the conventional wisdom on teacher quality. For years, public school advocacy groups complained that the most talented teachers snub minority and low-income schools by migrating to less challenging and higher-paying schools in culturally and economically homogenous suburbs.

Nevertheless, according to a recent analysis of value-added scores for teachers in the Los Angeles Unified School District, the district's best elementary school teachers shared few common traits. The top teachers had none of the common metrics used to determine teacher quality (e.g., teacher race, age, years of experience, education level, instructional method, or student demographics) in common. What they did have in common was the ability to raise student achievement far above expectations.

These facts raise serious questions about the continued use of state salary schedules, which reward teachers based on years of experience, advanced degrees, credentials, or additional duties. Value-added analysis suggests that the current system does not select and reward talented teachers or preclude ineffectual teachers from remaining in the classroom.

Public school systems in North Carolina and beyond should

move to a more effective compensation system that uses transparent, outcome-based measures, including test scores and value-added measures, to reward the efforts of individual teachers and administrators. For the last four years, the N.C. Department of Public Instruction has maintained a sophisticated educational value-added assessment system (called EVAAS), so this kind of performance pay arrangement would come at no additional cost to taxpayers.

So why do education leaders in North Carolina refuse to expand the use of EVAAS? Since the start of North Carolina's testing program in



**TERRY
STOOPS**

1996, it has been common practice for the state's public school systems to gauge school and teacher quality by simply comparing schoolwide test score results to statewide averages or trends. By design, the schoolwide approach offers little information about the performance of individual teachers within the school, thereby allowing inept teachers to lie low in an otherwise good school. Of course, such cover is often a double-edged sword for the teachers themselves because it also obscures the achievements of good teachers in poorly performing schools.

Making matters worse, state education officials and school superintendents have worked together to restrict access to the state's value-added information. In a recent interview with National Public Radio, Donald Martin, superintendent of the Winston-Salem/Forsyth County School District, praised the State Board of Education for maintaining a policy that keeps value-added assessment of teacher performance under wraps. Their shared goal is to protect teachers from public scrutiny.

Public school districts should make value-added information readily available to parents, regardless of how much the information would upset the status quo. It would encourage parents to demand that schools place their children in the classes taught by the most effective teachers. And the only way to achieve these demands would be to grant parents the information and educational choices they deserve. CJ

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

JLF Analyst Criticizes Perdue Choice To Oversee 'Race to Top'

By KAREN WELSH
Contributor

RALEIGH

Gov. Bev Perdue's decision naming State Board of Education Chairman Bill Harrison to oversee the state's \$400 million Race to the Top education funds has raised eyebrows among some advocates of education reform.

The recent appointment allows Harrison to receive a \$90,000 salary to administer the federal dollars to school districts throughout the state. It also allows him to hire an undisclosed number of staff at currently unknown additional costs. The state learned that it had been awarded Race to the Top funding in September.

"Here we go again," said Terry Stoops, director of education studies at the John Locke Foundation. "This is dumb. This is outrageous giving the chairman of the Board of Education a superior position to the superintendent of the North Carolina Department of Public Instruction.

"Do we need another layer of oversight?" Stoops asked. "I don't see why Harrison has to do it. DPI is already in charge. Superintendent June Atkinson is already overseeing the day-to-day operations. NCDPI is the place where this money should be monitored. It is a duplication of functions."

NCDPI Chief Financial Officer Philip Price said this isn't true. "The work is not duplicative between the areas," he said. "The Race to the Top work involves many different parts of state government. The DPI focus will be on administering the activities that involve public schools and checking in with the other agencies to assure that we are all headed in the direction outlined in the grant application."

Questions also have arisen over whether Perdue hired Harrison as an indirect rebuke of the 2009 lawsuit challenging the constitutionality of Perdue's decision naming Harrison CEO of DPI. Perdue attempted to give Harrison the ability to overrule the elected superintendent of public instruction. In July, a Superior Court judge ruled against Perdue, saying the state constitution placed the superintendent in charge. Between his DPI and state school board jobs, Harrison would have earned \$265,000 annually.

Harrison retired from DPI in August.

Perdue spokeswoman Christine Mackey said Harrison was hired because he was instrumental in formulating and presenting the Race to the Top grant application. She called Harrison a very skilled, experienced education leader who has played an integral role in the governor's Ready, Set, Go! initiative, for which the federal funds will be used.

"Dr. Harrison will provide the highest level of transparency and accountability to the handling of the Race to the Top Funds," she said. "He will

lead the overarching strategy while Dr. Atkinson and the Department of Public Instruction will oversee the day-to-day implementation of 'Ready, Set, Go'."

Others are questioning if Harrison's position was created because DPI lacks the ability to manage the funds.

"It's not a confidence issue," she said. "Dr. Harrison has been bridging the gap between DPI and the State Board of Education for some time now."

Stoops said the position created for Harrison is an example of what is wrong with the current state government.

He feels it is payback for Harrison, who is a close ally of Perdue. "Gov. Perdue was not going to open this up to someone else," he said. "She already had him in mind from the beginning. It follows the exact same pattern and the same line as former Gov. Mike Easley. Bev is running the Mike Easley playbook. Every person she has chosen in education is from the North Carolina Association of Educators. She is rewarding her friends and punishing her enemies, which are essentially anyone who opposes the N.C. Association of Educators."

Stoops also wonders if the appointment of Harrison is meant to keep some of the Race to the Top funds from being used in charter schools.

"Gov. Perdue is not receptive to truly innovative schools, and she will not allow innovative models to exist outside the traditional public school," he said. "She is overlooking some amazing charter schools in the process. Both Gov. Perdue and Harrison will continue to ignore that we already have innovation in our charter schools that can easily be replicated." CJ



**State Board Chairman
Bill Harrison**



**Gov. Beverly
Perdue**

Did Education Officials Cry Wolf on Teacher Layoffs?

Many dismissals premature and later rescinded prior to stimulus

BY KAREN WELSH
CONTRIBUTOR

Last spring, thousands of teachers throughout North Carolina found pink slips in their boxes, informing them of impending job losses in the 2010-11 school year. Protest marches occurred, and a media blitz ensued, with newspapers across the state deeming the action of school boards as "catastrophic" and "disastrous."

As the hoopla subsided, however, most school boards quietly finalized their operating budgets and hired many of those same teachers back into the classrooms.

This year, most school districts across North Carolina recalled a majority of their pink-slipped teachers, minimizing classroom losses before Speaker of the House Nancy Pelosi called lawmakers back from their summer vacations in August to approve an emergency \$10 billion spending package on public education.

The additional funds from Congress were on top of the \$100 billion the U.S. Department of Education received through the recent stimulus bill, and billions of dollars in "Race to the Top" education funding.

"It happens all the time," said

RALEIGH



The notion of upcoming massive teacher layoffs had its start at the highest levels. Secretary of Education Arne Duncan predicted in February 2010 that extensive layoffs were coming. (Image of Reuters web news story)

Lindsey Burke, education policy analyst for the Heritage Foundation in Washington, D.C. "School districts send out all of these pink slips before their budgets are final, then they rescind them. They are creating a crisis."

Guilford County Schools is one example. It was reported that 160 teachers were going to lose their jobs for the 2010-11 school year. However, Laurie Hogan, program administrator for communications in the district, said the layoffs never transpired.

"We waited until the budget unfolded, and most of the teachers were rehired," she said. "The rest left the school system through normal attrition, retirement, and the population in schools changing."

In addition to the large infusion of federal money, totaling \$380 million

for North Carolina, state Sen. Richard Stevens, R-Wake, co-chairman of the Senate Education/Higher Education Committee, said the state shifted \$120 million from lottery funds to pay teacher salaries.

Burke said such cost shifting is an insufficient fix, putting a Band Aid on what could become a fatal fiscal wound.

"The bailout just exacerbates the problem," she said. "It stops school boards from creating reform and easing the taxpayers' burden by better targeting resources and reducing spending."

Stevens agreed.

"It's a half-billion dollars," he said. "It was important for us to give the monies this year, but it put off for another year how the state is going to pay for the positions next year. It's a temporary solution. We don't know what's going to happen in 2011. There's going to be tough choices."

Burke said drastic cuts are needed, as the growing number of administrators are creating top-heavy staffing in school districts. If administrative staffs were reduced, she said, there would be enough funding in place to keep teachers in the classrooms, instead of announcing layoffs that may or may not be rescinded.

Even though K-12 student enrollment hasn't increased nationwide since the 1970s, Burke said, nonteaching staff positions have surged by 83 percent over that time. The percentage of instructional staff at schools has shrunk in recent years, from 70 percent to 51 percent.

"Lack of funding isn't what plagues public education," she said. "There's just more and more administrators added to school systems and less and less classroom teachers. It's really jarring when you think of it that way. There is room to stop education spending that would stop the bleeding and not jeopardize teachers or the classroom. They need to stop the continual hiring of nonteaching positions. It's a festering, unsustainable plan."

Hans Plotseneder, a business and German teacher at West Mecklenburg High School in Charlotte-Mecklenburg Schools, said he decided to run for the school board in 2011 because of the waste he has witnessed in his decade of teaching in the school system.

"There are 9,000 nonclassroom personnel in the CMS district," he said. "Out of this, there are more than 1,700 administrators in the downtown office. If you compare this to any other company of the same size across the United States, [it] would have 150 people in corporate headquarters. It is a total waste of money."

Plotseneder said he was appalled when 600 teachers were given notice last spring that they would have to vacate their positions. Meantime, administrative positions remained virtually untouched. He said CMS could streamline its administration instead of laying off teachers.

Plotseneder also noted that the school district used tax dollars to hire a consulting company that concluded cutting administrative overhead personnel was not an option.

Although CMS ended up hiring back 140 teachers before the state and federal governments offered bailout

funds, he said they failed to bring back more teachers after deferring up to 80 percent of the federal and state funding until the 2011-12 school year.

"Only 20 percent of the monies given for this year have been used," Plotseneder said. "They are holding back a big portion. They got the money, but they didn't fund the positions or the classrooms that they were supposed to. Keeping the funds untouched is their plan to keep the administration intact. It doesn't add up."

Burke said every school district in North Carolina and across the nation could minimize teacher layoffs by providing school choice to parents and guardians of students. "It saves a lot of money for taxpayers," she said. "Graduation rates and performance are a lot higher. It's a win-win situation all around."

CJ

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In Guilford County, for example, 160 layoffs were predicted, but not one occurred

Bonded indebtedness

Costly School Construction Fuels Drive for Guilford Tax

By SAM A. HIEB
Contributor

GREENSBORO

Forgive the baseball analogy — the World Series is just around the corner, after all — but the Guilford County Board of Commissioners is at the plate, down two strikes with the bases loaded. They're swinging for the fences, but they'd better be prepared for a changeup from voters.

For the third time in two years, commissioners have placed a quarter-cent sales tax increase on the ballot, this time for the November midterm elections.

Back in August, commissioners voted 9-1 to put the tax increase on the ballot, with Commissioner Steve Arnold casting the only "no" vote. (Commissioner Kay Cashion was absent but had expressed support for the increased sales tax.)

Voters have rejected the sales tax twice. It was on the ballot for both the May 2008 primary and the November 2008 general election.

Those results are not without irony, however. In 2008 voters also approved more than \$500 million in bonds, adding to a county debt load that will reach \$1 billion in 2011-12.

Thus the need for a sales tax increase, says commission chairman Skip Alston.

Citizens "were told that if they approved the bonds for the schools and the jails, it would result in a tax increase," Alston said in a phone interview. "It was publicized very well. They voted for the bonds, but they voted down the funding stream to help pay for those bonds."

Arnold, who serves as commis-

sion vice chair, could not be reached for comment. But he parts ways with his chairman on the sales tax, stating during public debate on the issue that he believes "government is too big, and taxes are too high."

Commissioners have not increased property taxes the last two years. Under the leadership of Alston and Arnold, the board cut several county jobs in an effort to reduce the county budget.

Alston says there's still more fat to be cut from the budget, but it seemed inevitable that commissioners would have to take more drastic action given the debt load, which included a \$115 million bond for a new county jail and \$457 million in school bonds.

Alston added that he's meeting Guilford County Schools Superintendent Mo Green and school board chairman Alan Duncan about managing debt over the coming years. Commissioners have sparred with Guilford County Schools over the years about spending on new school construction.

A \$300 million bond passed by voters in 2003 was badly managed, and

funding ran out even before the project used to sell the bond to voters — a new Jamestown Middle School — could be started. But none of this stopped commissioners from placing the bond that again included the new Jamestown school on the '08 ballot.

A separate \$45 million bond for a new Eastern Guilford High School also appeared on the ballot after the school

was destroyed by fire in November 2006.

School officials decided to push for the bond when they discovered insurance would not cover the cost of rebuilding the school.

GCS also has had other issues with school construction costs. The so-called "green" Northern Guilford Middle School not only ran over budget,

but also, according to published news reports, is not using energy as efficiently as school officials claimed it would.

In addition, a proposed school in the western part of the county near Piedmont Triad International Airport originally was estimated to cost \$88 million — which would have made it the most expensive high school ever built in the state.

Costs have been trimmed, however, although GCS still must buy land in an area surrounding the airport that has been targeted for economic development.

The new high school now is estimated to cost \$72 million, not much cheaper than the new Watauga County High School, which cost \$79 million and is the state's most expensive school.

A recent John Locke Foundation policy report made the case that Watauga County pushed for a quarter-cent sales tax hike at least in part to pay for the new high school.

Although Watauga commissioners stated the \$1.9 million in revenue that would be generated through the sales tax hike would go toward "recreational facilities," the study notes that the revenue could go toward any "legal purpose," including debt service on the new school.

In the Aug. 31 special election, Watauga voters overwhelmingly turned down the sales tax hike. Proponents hoped the special election would enhance the pro-tax turnout the same way it did in Randolph County, where voters approved a quarter-cent sales tax hike in a special March election.

In contrast, Guilford commissioners believe that placing the sales tax on the ballot during regularly scheduled elections — when voter turnout is expected to be higher — will increase the chances of the tax hike passing.

With that in mind, Alston will form a committee to campaign for the sales tax. Alston added the campaign will "include yard signs, billboards, ads — the whole works." *CJ*



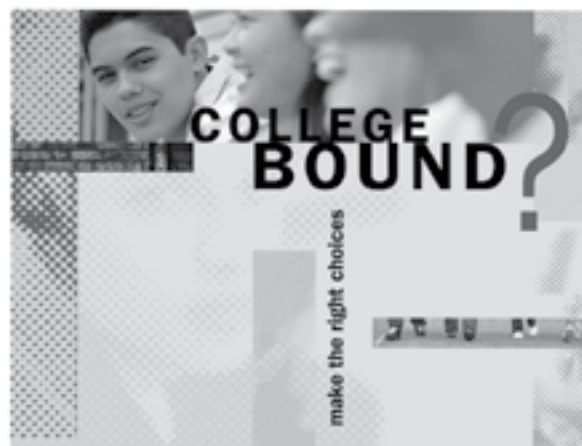
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Homeschooler Group Discusses Parental Rights, Independence

By HAL YOUNG
Contributor

RALEIGH

The most recent report from the N.C. Division of Nonpublic Education found some 81,509 students, almost one in 20 N.C. children, being taught at home. This gives North Carolina one of the highest rates of homeschooling in the country. There are more than 200 local associations in North Carolina, some with hundreds of families, providing fellowship, activities, and support. Homeschool graduates here have been awarded the most prestigious college scholarships in the state, gained appointment to service academies, and even run for Congress.

The sunny social and legal climate largely is confined to the Tar Heel State, however. According to federal and academic studies, the national rate of home education is 41 percent lower than North Carolina's, and many advocates of parent-directed education see trouble on the horizon — from trends in academia, law, and even a United Nations treaty which could endanger seriously families' right to choose an independent, private education for their children.

Several board members from



Spencer Mason, president of North Carolinians for Home Education, speaks with another participant at a recent homeschoolers conference in Chicago. (Photo by Hal Young)

North Carolinians for Home Education, the state's largest homeschool association, recently visited Chicago for a leadership conference sponsored by the Home School Legal Defense Association. The annual event is organized to "encourage, equip, [and] challenge" state leaders, according to HSLDA's president, attorney J. Michael Smith.

This year's edition drew 380 attendees from 34 states and five countries. The networking allows state homeschool organizations to share experiences and insight into the legal and social challenges facing the movement.

Often the conference addresses subjects with ramifications far beyond the family schoolroom. A regular presenter at the conference is Brian Ray of the National Home Education Research Institute. Ray noted that in 25 years of studying the movement, he has seen the number of homeschoolers rise nationwide from "about 12,000 to a little over 2 million." Public acceptance has grown tremendously, he said, and while a parent's choice to teach children at home is not "mainstream" yet, "it has become a considered choice for the mainstream."

But while old cavils about parents' ability to teach or their homeschooled students' ability to interact in society have been answered satisfactorily, academic journals continue to offer radical criticisms of this freedom. Ray pointed to a paper by Northwestern University's Kimberly Yuracko for the *California Law Review*, where she proposed that homeschooling be tightly regulated against the possibility that parents might "shield their children from liberal values of sex equality, gender role fluidity, and critical rationality."

Attorney Michael Farris, HSLDA founder and chancellor of Patrick Henry College, raised similar concerns from other law journals. Farris warned that academics are arguing that the parents' control of the child's education is granted by the state and is not inherent.

This is important for more than just homeschoolers, Smith said.

"Any time any group depending on constitutional rights faces a challenge, it's a liberty issue that could concern all of us," he said. Restrictions on the content and structure of home education also would be applied to private

schools and potentially to parental involvement in the public school system. "If you love the concept of liberty for families, and don't want to become a slave to the government, you need to come to their defense," he concluded.

While law school professors are training the next generation of judges, other challenges to homeschooling are closer at hand. The United States is a signatory to the U.N. Convention on the Rights of the Child.

Until ratified by the U.S. Senate, the treaty would have no impact on American parents. If it passed, though, and its provisions became part of U.S. law, its effect could be swift and destructive, Smith said. A child who disagreed with a parent's guidance on not only schooling but also discipline, friendships, or activities, would be given direct access to family judges who would rule on the wishes of the child with no determination of whether a wrong even had been suffered.

"Anybody with kids is impacted by the Convention on the Rights of the Child," Smith said. "If it becomes the law of the land in the United States, if a child dislikes a parent's educational choice, all she needs to do is complain to Social Services. That will go straight to a judge who will consider the wishes of the child with no consideration whether a harm has even occurred."


In Germany, Christian parents have been jailed for taking their young children out of explicit sex-ed programs, and other cases have been filed against parents and educators in England, Sweden, and Canada in the name of the convention. HSLDA attorneys have warned for several years of the growing influence of international law on American judges, even when connected with unratified treaties and rooted in legal traditions unlike the U.S. Constitution.

To head off some of these concerns, HSLDA is promoting a Parental Rights Amendment (H.J. Res. 42), opening with the assertion that "The liberty of parents to direct the upbringing and education of their children is a fundamental right."

Five members of North Carolina's U.S. House delegation, Reps. Walter Jones, R-3rd, Howard Coble, R-6th, Mike McIntyre, D-7th, Sue Myrick, R-9th, and Patrick McHenry, R-10th, are co-sponsors of the measure. Republican Sen. Richard Burr has pledged his support, along with several House candidates (from all parties) currently seeking election.

North Carolinians for Home Education supports the amendment. Spencer Mason, president of NCHE, attended the Chicago event and said he agrees with HSLDA's concerns.

"We have contacted our membership to remind them we need to get this amendment passed," he said, "and how important it is to protect parents' rights to direct the rearing and education of our children." CJ




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Town and County

Wilmington annexations

Annexation remains a central local government issue in New Hanover County. In addition to Wilmington's controversial annexation of the Monkey Junction community, the city is looking to take in additional areas in the coming years. Two communities also are considering incorporating, in part to avoid being absorbed by Wilmington in the future, reports the *Wilmington Star-News*.

Wilmington officials have developed a comprehensive annexation plan for 10 areas with a current combined population of 27,000 that the city may annex in the coming years. City council approval is needed to begin the annexation process for each area.

The communities of Castle Hayne and The Cape, meanwhile, are considering incorporating. Wilmington's intentions have factored in each community's thinking. The Cape is within five miles of Wilmington, which under state law requires consent from the city before incorporation can occur. The proposed boundaries for Castle Hayne are designed to avoid placing it within five miles of Wilmington.

Cumberland backs hotel

The Cumberland County Commission approved \$10.5 million in financing for a hotel and restaurant in Spring Lake. The approval comes despite the developer having little of his own money at risk, notes the *Fayetteville Observer*.

The developer of the 108-room Candlewood Suites hotel and an adjoining IHOP restaurant is Bragg Hospitality LLC. The company will invest \$600,000 of its own money into the project. About \$9 million in financing will come from federal stimulus bonds.

"Is it standard policy that 6 percent of equity is acceptable on a project like this?" asked Commissioner Jimmy Keefe.

County Attorney Rick Moorefield responded that there was no standard for such projects. Keefe voted in favor of the financing.

Bob Stafford, who formed Bragg Hospitality with a local nonprofit, justified the use of government financing to build the hotel and restaurant.

"I'm pretty much a conventional guy," he stated. "You go to the bank, you borrow the money, get the job done, and pay the money back. It's a pretty simple story. But the financing out there in today's market is not there, as it has been in the past." CJ

Raleigh Kicks Food Trucks to the Curb

By SARA BURROWS
Associate Editor

RALEIGH

As times get tougher for brick-and-mortar restaurants, mobile food vendors are taking center stage in several large cities around the country.

Food carts and food trucks have pushed through the recession in Portland and San Francisco, and this summer they were making their way south — to Nashville, Atlanta, and Miami — as entrepreneurs struggle to create their own jobs.

In North Carolina, Durham has a vibrant food truck scene, which recently gained attention from the Food Network cable channel. Its series "The Great Food Truck Race," featuring mobile chefs from around the country, recently completed its first season.

In September, viewers voted on the network's website to choose one truck to compete in the second season. Durham's Only Burger — a mobile hamburger stand — led for much of the competition, but in the end did not finish first.

But the "street food" scene hasn't arrived in a big way in Raleigh, where city council members fear it would hurt local restaurants and just wouldn't "look right."

Other than a couple of snow cone carts and coolers full of prepackaged ice cream, only a handful of hot dog stands dot the sparsely populated streets of downtown Raleigh.

Behind the streetscape is a series of rules and regulations.

State laws and city ordinances

A Department of Environment and Natural Resources rule adopted in 1980 dictates, "Only hot dogs shall be prepared, handled, or served from a pushcart."

Aside from hot dogs, only prepackaged food from approved restaurants may be sold.

State law allows a greater variety of food to be prepared and sold from food trucks, but trucks are more expensive and more heavily regulated than food carts.

Even if a business owner could afford the extra cost of a truck, he wouldn't be welcome in Raleigh.

While some cities allow food trucks to park in metered spaces or designate a downtown lot for them, food trucks in Raleigh can operate only on commercially zoned land, with a permit, for up to 20 days.

A limited number — two per block — of nonmotorized pushcarts are permitted to set up on city sidewalks, but they cannot locate near a restaurant selling similar food, and they must be of a certain dimension, weight, and material.



Carol Passley, who owns a hot dog stand that she operates on the Fayetteville Street Mall in Raleigh, prepares a hot dog for a customer. (CJ photo by Sara Burrows)

When asked why the city restricts the number and location of mobile food units, Raleigh City Councilmember Mary-Ann Baldwin said it was necessary to protect established restaurants from competition and to keep the streets looking neat and tidy.

"You want to balance what's good for the entrepreneur with what's good for your restaurant owners," Baldwin said. "You don't want to hurt them and put them out of business. They've made a huge investment."

Instead of the rule that keeps pushcarts from locating near restaurants selling the same food, Baldwin said she'd like to see a rule that keeps them away from all restaurants, no matter what kind of food they sell.

The way the ordinance is written now, Baldwin said, "people can go into a sports bar, drink a couple of beers, go outside and get a hot dog and then come back in, instead of buying bar food."

"You can imagine if you were a restaurant owner who was paying a lot more in taxes, and you have a hot dog vendor outside your door, you're not going to be happy about that," she said.

The second reason for limiting the number of mobile vendors in downtown Raleigh is purely aesthetic, said Baldwin.

"We want things to look good," she said. "We don't want people driving out on — as [Councilman] Thomas Crowder put it in our meeting — beat-up golf carts selling T-shirts."

Crowder is one of two architects on the council who Baldwin said "take a lot of interest in design and aesthetics."

Removing the cap on pushcarts would allow them to pile "on top of each other," Baldwin said.

"It could limit connectivity," she said, making it difficult for people to walk or ride their bikes.

Michael Sanera, director of research and local government studies at the John Locke Foundation, has a different vision for downtown Raleigh.

He pointed to an iconic 100-year-old photograph of farmers, merchants, and grocers selling their wares from shoddy carts and wagons in the streets of Manhattan.

"It's the most beautiful picture I've ever seen," Sanera said. "It shows hundreds of people making a living with very little capital investment and satisfying customers who are willingly buying their products."

"In my humble opinion, that's the way Fayetteville Street should look like," he said.

He said if Raleigh wants to promote business in a down economy, it must leave entrepreneurs alone, no matter how ugly or crowded their carts. CJ

N.C. High Court Says Time Credit Doesn't Count For Some Lifers

By MICHAEL LOWREY
Associate Editor

In an Aug. 27 ruling, the N.C. Supreme Court held that convicts sentenced to "life" terms from 1974 to 1978 — when state law defined a life sentence as 80 years — cannot count good-time credits toward their release. The decision is expected to keep scores of offenders behind bars, at least for now.

Critics of the majority's ruling — including the two dissenting justices — say the decision overrides the clear intent of the General Assembly in setting sentencing policy and may well violate the due process rights of prisoners.

Alford Jones was convicted of first-degree murder in 1975. After his original death sentence was overturned, he was sentenced to life in prison. From April 8, 1974, to June 30, 1978, the General

Assembly defined a life sentence in North Carolina as a prison term of 80 years.

In November 2009, Jones filed a petition for a writ of habeas corpus, contending that he should be released for prison immediately as his sentence had been served in full. Through Nov. 30, 2009, Jones had been credited with a total of 17,932 days — over 49 years — of good-time, gain-time, and merit-time credits. In his habeas corpus petition, Jones argued that these credits should be applied to reduce the amount of time he should serve in prison.

After a Superior Court judge ruled in favor of Jones, the state asked the N.C. Supreme Court to consider the matter.

Before the high court, the state argued that Jones' good-time, gain-time, and merit-time credits should not be counted toward his release date.

"We conclude that the limitations imposed by [the Department of Correction] on those credits are statutorily and constitutionally permissible," wrote Justice Robert Edmunds for the majority.

The DOC argued that, in the event the governor commuted Jones' sentence to something other than life, Jones could use the credits he had accumulated.

But if his sentence were not commuted, the credits should not be applied.

There are, however, limits on the DOC's leeway in applying credits. In the 1974 case *Wolff v. McDonnell*, the

U.S. Supreme Court held that if prisoners are awarded good time by the state, they have a constitutionally protected "liberty interest" in the credits which cannot be "arbitrarily abrogated." In Jones' case, the N.C. Supreme Court found such interests of little importance.

Chief Justice Sarah Parker and Justice Mark Martin joined in Edmunds' opinion. Justice Paul Newby wrote a concurring opinion in which Justice Edward Brady joined, making much the same arguments.

Justices Robin Hudson and Patricia Timmons-Goodson strongly dissented from the majority holding.

"The rule of law, consistency, and fundamental fairness are not advanced by today's decision allowing the Department of Correction to withhold inmate Alford Jones's accumulated sentence reduction credits," wrote Timmons-Goodson.

"This decision violates the DOC's own regulations and policies, Jones's constitutional rights, and the doctrine of separation of powers."

In Timmons-Goodson's view, the General Assembly, by defining a life term as 80 years, clearly intended for prisoners like Jones to earn credits. *Wolff*, meanwhile, requires a process for revoking the credits, and the DOC had provided none.

"DOC regulations involving sentence reduction credits are not minor," she wrote. "Whether an inmate has fully served his sentence and is entitled to release from imprisonment is a question deeply implicating fundamental constitutional rights. The majority asserts that Jones's liberty interest in his sentence reduction credits is 'de minimis' and that the State may 'control the contours of the liberty interest it creates.' The majority cites no authority for this pronouncement."

John Locke Foundation legal analyst Daren Bakst sees the decision as an example of the court doing what is popular rather than following the law.

"I believe in the election of judges, but this case gives those who believe in judicial appointments a strong argument," said Bakst.

"While prisoners do have less constitutional protections than other citizens, this doesn't mean the state can constitutionally extend prison sentences after the fact," he added. "Because the state realizes its mistake now doesn't justify violating the due process rights of these prisoners."

The case is *Jones v. Keller*, (518PA09-1). CJ



COMMENTARY

Tax Subsidies For Stock Cars

It seemed like a good idea at the time. In 2006, NASCAR wanted to create a hall of fame to commemorate its greats. What place would be more natural than Charlotte, which hosts two regular NASCAR races plus an all-star race every year, and where most NASCAR teams are headquartered? And how could hosting such a facility be anything but a giant economic checkered flag for Charlotte?

To be sure, the city put together a proposal to lure the NASCAR Hall of Fame, beating out Atlanta, Kansas City, Mo., and Daytona Beach, Fla., for the attraction. Unfortunately for the Queen City, however, the NASCAR Hall of Fame isn't developing the horsepower that had been envisioned.

City officials had projected that 800,000 people would visit the museum between its May 2010 opening and June 30, 2011. The facility's budget wasn't quite that optimistic — it presumed the facility would attract a mere 575,000 visitors in its first year of operation and \$4 million a year after that.

Actual attendance through the hall's first 90 days of operation was much lower — 102,731. That would amount to roughly 410,000 over the first year if attendance were stable year-round. Sports halls of fame typical draw best over the summer, so it's likely that the NASCAR Hall of Fame's actual attendance will be less than 400,000 its first year, or a third lower than projections.

From the city's perspective, the structure of the deal is problematic. Essentially, Charlotte is a franchisee, paying NASCAR royalties for the use of its brand. As a result, the city rather than the racing organization bears all the financial risk for the museum's success. Charlotte built and operates the museum, with construction costs to be paid with a 2 percentage-point increase in Mecklenburg County's hotel/motel tax.

If construction costs went over budget, or attendance lagged behind projections, that was Char-

lotte's problem, not NASCAR's.

That's exactly what is happening. Tax receipts were not sufficient to issue bonds to cover all the building costs, so the Charlotte Regional Visitors Authority, which manages the hall, had to borrow from banks and the city directly. The loans are supposed to be repaid by money generated from NASCAR Hall of Fame sponsorships — after NASCAR gets its cut, of course. But sponsorship support also has lagged.

While the slow economy has hurt tourism in general, NASCAR is not as popular as it was just a few years ago, especially among younger audiences. Television viewership is down, and there are empty seats at most races. Fewer fans translate into fewer potential visitors to the sport's hall of fame.

So much of what passes for "economic development" these days is based on a simple belief that if a community builds attractions, tourists will come and spend their hard-earned dollars.

The NASCAR Hall of Fame highlights several problems with this approach. Building and operating a tourist attraction involves entrepreneurship, something government is remarkably bad at. The hall exists to promote a for-profit business, leaving the municipality that builds and runs the facility reduced to the role of a backseat passenger, unable to influence the image of the brand it's promoting.

The attendance projections for the hall are unrealistic in this economy and may very well have been optimistic in any case. The visitors authority may have enough reserves to cover the hall's potential shortfall for a while. But the hall's overall economic performance has disappointed. That is especially problematic, as the higher hotel/motel taxes that fund the hall tend to discourage tourists from visiting Charlotte in the first place. CJ

Michael Lowrey is an associate editor of Carolina Journal.



MICHAEL LOWREY

Local Innovation Bulletin Board

Traumatic Injuries

A new study shows a dramatic difference in the survival rates for those severely injured in automobile accidents and other traumatic events. From this, it reasons that emergency health care could be better in at least some communities.

The paper "Severe Traumatic Injury: Regional Variation in Incidence and Outcome," which was published in the July 2010 edition of *Annals of Surgery*, looks at the outcomes of severely injured patients in nine cities in the U.S. and Canada from April 1, 2006, to March 31, 2007. The areas surveyed had a combined population of 20.5 million.

All told, 7,080 individuals suffered severe traumatic injuries in the survey area over the period. The median age of those injured was 36, and two-thirds were male. Just under 1,000 patients were pronounced dead at the scene; 5,857 patients were transported to hospitals. Of them, 4,477 — 63.2 percent — were discharged alive. Survival rates ranged widely between communities, from a high of 80.8 percent in Toronto to a low of 39.8 percent in Vancouver. Large local variations in survival rates also existed across different traumatic injury types.

"It's alarming to see these differences," said Dr. Roger Hartl, an expert in brain injuries at Weill Cornell Medical College in New York City, to Reuters.

"I'm sure part of this may be due to inadequate treatment, but it is hard to say anything else at this point."

Hartl, who was not involved in the study, noted that standardization of treatment for cases of brain injury had halved the death rate from that injury.

Oakland police officer pay

In July, Oakland, Calif., laid off 80 police officers, or about 10 percent of its police force. City officials claimed they could no longer afford to pay the officers. That's correct, writes Josh Barro of the Manhattan Institute, but only because of the astoundingly generous pay that Oakland police officers receive.

The average Oakland Police Department employee's total compensation package is \$162,000 per year. The generosity begins with police recruits, who earn \$64,656 a year plus benefits, or \$20,000 a year more than police cadets in New York City. And pay in Oakland only goes up from there. In addition, the city

pays the entire cost of health insurance, which includes coverage for an officer's family.

Indeed, Oakland's police recruiting website states its benefits are the best of any of California's 10 largest cities. If Oakland were only as generous as San Francisco, where total police department compensation averages "only" \$145,000, it could afford to add cops, not eliminate them.

Reducing compensation in Oakland would require the approval of its police officer's union. The union was willing to accept having members be responsible for some contributions for their pensions but only in exchange for a three-year no-layoff promise. The city was willing only to accept a one-year guarantee, thus no deal was reached, and the layoffs occurred.

"What's going on in Oakland is an example of a phenomenon being seen across the country: states and cities choosing between providing services to the public or maintaining luxury compensation for public employees," says Barro.

"More often than not, public employee unions have been winning this fight, forcing service cutbacks."

Teams gone, taxpayers owe

The National Football League's New York Giants and New York Jets recently moved into a new privately financed stadium in East Rutherford, N.J. The two teams' former home, publicly owned Giants Stadium, was torn down, with the site now serving as a parking lot for the new arena. Though the stadium is gone, New Jersey taxpayers are still on the hook for \$110 million in debt for the facility, reports *The New York Times*.

Giants Stadium is far from the only instance in which taxpayers remain on the hook for debt after teams have moved, though it is the most egregious example. King County, Wash., which includes Seattle, still owes \$80 million on the Kingdome, which was torn down a decade ago. Indianapolis and Philadelphia also owe for sports facilities that no longer exist, while residents of Kansas City, Mo., Memphis, Pittsburgh, and Houston are still paying off debt on arenas and stadiums they built for teams that have departed.

"Stadiums are sold as enormous draws for events, but the economics are clear that they aren't helping," said Andrew Moylan of the National Taxpayers Union. CJ

Raleigh Grapples With Rail Plan

By MICHAEL LOWREY
Associate Editor

RALEIGH

The Raleigh City Council has asked the N.C. Department of Transportation to look at developing additional alternatives for higher-speed rail service into Raleigh from Richmond. The move comes, the *Raleigh News & Observer* reports, after intense opposition from residents who live along the route favored by city staff.

At issue is how to route the trains along Capital Boulevard. A Norfolk Southern rail yard is on the west side of the road, while a CSX rail yard is on the east side. City staff had favored routing the passenger trains through the Norfolk Southern yard, but city council did not back that option after residents in the adjacent Five Points neighborhood expressed their concerns about train noise and vibrations.

The city now is asking DOT to examine whether the passenger rail line could run on bridges parallel to Capital Boulevard or cross over the road via a bridge. City council also voted to ask Norfolk Southern to move its rail yard out of the city if the passenger trains ultimately use its tracks.

"We're not going anywhere," said Durwood Laughinghouse, Norfolk Southern's vice president for government relations in North Carolina. "We just cannot locate outside this area, and that's been our position all along."

"It looks like they were trying to satisfy everybody with everything, instead of taking a real position on the future."

New Hill sewage plant

In 2004, four Wake County towns formed a consortium to build a new sewage treatment plant. Now plans for the \$327 million facility are being challenged by a civil rights group, which contends the location of the facility in the unincorporated New Hill community would have a disproportionate impact on low-income and African-American residents, reports the *Raleigh News & Observer*.

The Western Wake Partners are Cary, Apex, Morrisville, and Holly Springs. They agreed to build a new sewage treatment plant to satisfy a state mandate regarding the return of treated wastewater to the Cape Fear River Basin. The proposed facility also would allow for additional growth in the towns.

In August, the U.S. Army Corps of Engineers approved the project. The partners hope to have the sewage treatment plant operating by 2013.

"The Corps had a three-year exhaustive study on all the issues that were relevant," said Apex Mayor Keith Weatherly, chairman of the Western Wake Partners Policy Advisory Committee. "The concerns of the good people of New Hill were taken into account during the public comment sessions, and I think

the Corps made the right decision."

The Southern Coalition for Social Justice, meanwhile, has filed a protest of the state's issuance of environ-

mental permits for the sewage treatment plant.

"We have been willing to host the Partners' sewage treatment plant so long as it was not in the middle of our community, but the Partners won't meet us halfway," said the Rev. James E. Clanton, pastor of First Baptist Church in New Hill and a community leader.

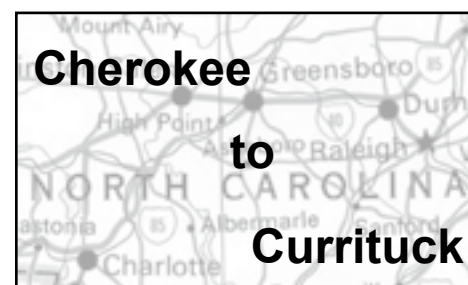
Mecklenburg oversight

A federal agency has recommended that Mecklenburg County immediately suspend a contract with a nonprofit agency. The move comes after the county had failed to oversee adequately \$1.7 million in federal funds that went to the nonprofit, reports the *Charlotte Observer*.

Over the past two years, Mecklenburg County has obtained federal funds for its Shelter Plus Care program, which helps pay for housing and other assistance for over 200 homeless individuals who have HIV/AIDS, suffer mental illnesses, or are addicts. The county hired Mecklenburg Open Door to administer the program. A federal audit found that the nonprofit had failed to document properly the work it had performed, something the county officials overseeing the nonprofit had failed to notice or correct.

Auditors from the Department of Housing and Urban Development now plan to spend several weeks poring over the program's books. The county could face fines of up to \$500,000. One county employee has been fired and another reprimanded since the lack of oversight was discovered. The county is also in the process of severing all ties to Mecklenburg Open Door.

"The county's inability to manage this is related to the fact that we don't know the [housing] business," said County Commissioner Bill James. CJ



Yard Parking Ordinance Would Replace Grass With Concrete

Landlords say plan would increase rent to student tenants

BY SARA BURROWS
Associate Editor

RALEIGH

The Raleigh City Council is considering an ordinance that would amend current zoning regulations so that residents could no longer park on grass, dirt, or loose gravel in their own front yards.

Property-rights lawyers say the proposal could be an unconstitutional taking of private property. Landowners with rental properties that cater to college students say the ordinance would force them to pay for costly renovations, making rent too expensive for current tenants. Meantime, homeowners living near Raleigh's campuses say the ordinance would clean up cluttered properties in mature neighborhoods.

It's a scuffle over property rights, aesthetics, and the appropriate role of land-use regulation that has led to tense moments at public hearings in the capital city.

The ordinance would give all owners of single-family homes one year to construct driveways meeting the following standards:

- Driveways must be made of nonerodible surfaces of concrete or crushed stone, four inches deep, with defined permanent borders.

- They must be 12 feet wide and include a parking pad covering 425 square feet or 40 percent of the front yard, whichever is greater.



Raleigh's effort to prohibit yard parking, such as shown at this house on Kent Road, has resulted in a classic standoff among city planners, landlords, student tenants, and property-rights advocates. (Photo provided by Jerome Goldberg)

- Parking pads must be surrounded with vegetative screening.

"Homeowners who cannot afford to retrofit driveways or parking areas to the new construction standards would be restricted to single-file parking in front of the residence's driveway curb cut," the city's website states.

But single-file street parking would not be an option for homeowners who live on thoroughfares that ban it — such as Creedmoor and Leesville roads. And some neighborhoods require residents to obtain permits to park on the street; the city issues permits only for vehicles registered to homeowners, meaning tenants can't get permits.

City Councilman Thomas

Crowder, who lives near N.C. State University, wrote the ordinance more than a year ago to appease constituents who complained the front-yard parking was trashy and brought down the value of their homes.

Jerome Goldberg owns five rental homes near the N.C. State campus. It's not uncommon for three or four students to rent a single-family house in the neighborhood, or for one or more of them to park on the lawn.

The wooded front yards of Goldberg's properties have only partial driveways leading to hard-packed dirt parking areas. He complained at a Comprehensive Planning Committee meeting Sept. 15 that it would cost \$4,000 per property to build driveways that would meet the city's standards.

"It would take years to make that money back," Goldberg said. "I'd have to raise the rent significantly."

Higher rent would force his tenants — students and minorities — to move, he said.

He asked the committee to consider the elderly, some of whom had been annexed to the city and had lived for decades without driveways.

"People can't afford this," Goldberg said. "We're in a depression."

City Planning Director Mitch Silver noted the ordinance would give homeowners a year to save up and pay for renovations. He also said people who couldn't afford hiring a contractor to pave their driveways could "do it themselves."

But the burden of compliance shouldn't fall on homeowners, said Tim Sandefur, a property-rights lawyer with Pacific Legal Institute in San Francisco.

Sandefur says any backward-looking ordinance could violate the Fifth Amendment to the U.S. Consti-

tution; it prohibits uncompensated takings of private property for public uses.

"If they pass a zoning law that prohibits you from using your property in a way that you've always been using your property, that can be a taking of property that the government owes you just compensation for," he said.

To avoid taking property, Sandefur said, cities usually "grandfather in" pre-existing uses when they change land-use rules.

When it comes to new development, however, "there are very few restrictions on zoning powers," Sandefur added. "Zoning intrudes heavily on private property rights," he said. "It's about time we rethought the entire idea."

Homeowners associations provide a private alternative, he said. They give homebuyers the opportunity to enter voluntarily into covenant communities, where they have a voice in what the neighborhood will look like. Zoning, on the other hand, can impose the will of a minority on the majority, he said.

"It responds to the noisiest constituency," he said. "People who like to tell their neighbors what to do with their property just go down to city council and get them to pass a zoning ordinance. Meanwhile, those of us who have lives are going about our daily business."

Committee members are now studying the economic impact of a similar ordinance Greensboro passed in 2008 before the issue goes to the full council for a vote.

"I don't know if I could support it at this point," Councilman Bonner Gaylord said at the Sept. 15 committee meeting. "There are too many unanswered questions." CJ

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Why Didn't Perdue Campaign Use Cheaper State Plane?

Continued from Page 1

have contracted with and paid professional charter services operating in either the Raleigh-Durham area or New Bern, where Perdue and her husband own homes.

Of nearly 100 flights in 2007 and 2008 reported by the Perdue campaign committee, an investigation by *Carolina Journal* concluded that roughly 80 were arranged in a similarly convoluted manner.

The Perdue campaign's flight records show that 20 she took in October and November 2008 were paid for on Dec. 16, 2008 — weeks or even months after they took place. State elections



Tate Johnson

law requires contributions and donations be reported within seven days of their occurrence. The flights were reported several weeks after *CJ* published its first news story about illegal campaign flights by then-Gov. Mike Easley.

A report presented June 25 to the State Board of Elections by investigator Kim Strach mentioned an arrangement led by campaign finance director Peter Reichard and longtime Perdue friend Trawick "Buzzy" Stubbs to secure "aircraft providers" for the campaign. The system raises questions about why the Perdue committee wasted campaign resources, particularly when her campaign team had more traditional and less costly alternatives available.

A supplemental report Strach presented to the board Aug. 20 suggests that some in-kind donations for flights reported by the Perdue campaign are not accurate. Giving a donation in the name of another is against the law. *CJ* interviews with those involved also



The state's Beechcraft King Air, above, is identical to the private one chartered by the Perdue gubernatorial campaign for \$2,700 more than it would have cost to use the state's King Air. (CJ photo by Don Carrington)

produced confusing or vague answers.

The barber's flight

The Saturday, Dec. 8, 2007, flight was arranged by Fulenwider Enterprises, a business owned by Mike Fulenwider that operates several fast-food franchises and other concerns. Fulenwider chartered the flight from Profile Aviation in Hickory.

Fulenwider and his family gave a total of \$24,000 to the Perdue 2008 campaign. He also is associated with questionable flights worth almost \$10,000.

James Fleming, a barber from Morganton who was 65 years old at the time, paid \$3,048.50 to Profile Aviation for the use of the aircraft, according to the campaign. This was the only campaign contribution Fleming had given

to a political committee for at least 20 years, state elections records show.

This donation caught the attention of elections board investigators. Sheryll Harris interviewed Fleming in August, and he told her he could produce a canceled check proving that he paid for the flight, but it has not yet been produced.

During two phone interviews in September, Fleming told *CJ* he hadn't located a copy of his check but would look for it. On the third phone interview, Fleming told *CJ*, "I am not going to get the check." When

asked if he wrote a check to the Perdue campaign, he said, "Yes, I told you that."

If Fleming had written a check to the Perdue campaign, his donation would not be an in-kind contribution. For Perdue campaign records to be accurate, Fleming would have had to pay Profile Aviation for the flight, not the campaign.

When asked who suggested he pay for the flight, Fleming said, "Well she [Perdue] was up here one Wednesday campaigning. She was in Morganton." He would not provide any more details.

Strach's report indicates that Fleming was involved in the transaction through Robert Caldwell, chairman of the Board of Trustees of Western Piedmont Community College in Morganton. The report says Fleming believed he wrote a check from his business account, and that he had been asked Caldwell to make a contribution. Fleming said he gave his check to Caldwell.

When interviewed by Harris, Caldwell said he asked Fleming to

make a contribution, but it was not to pay for air travel. He said he didn't know the amount of Fleming's contribution, didn't handle Fleming's check, and assumed Fleming mailed it to the Perdue committee.

The Perdue campaign also reported that Ola Caldwell, Robert Caldwell's wife, made an in-kind contribution in the amount of \$1,194.50 for travel on Dec. 8. A spreadsheet released by the Perdue campaign ties the in-kind donations reported from Fleming and Caldwell to the same flight. Although it is not stated specifically, the payment reported from Caldwell may be a separate payment to cover the costs of hiring a pilot and co-pilot for the day.

Tate Johnson, the Perdue campaign staff member who signed Fleming's name to an in-kind donation form, is now director of Perdue's Eastern Governor's Office in New Bern. He told *CJ* he didn't remember any interaction with Fleming and didn't know who actually paid for the flight. Johnson, currently a candidate for the Lenoir County Board of Commissioners, said he might have gotten the information for the form from Fulenwider.

During a phone interview, Fulenwider confirmed he had arranged the flight, but, since he had already given the maximum contribution to the Perdue campaign, he couldn't donate any more. He said he asked a friend [Caldwell] to find someone to pay for the flight. Fulenwider denied paying for the flight in someone else's name.

"It was billed to me, but I couldn't pay for the thing because I was over \$4,000. I had to find someone else to pay for it, or they would have to pay for it out of campaign funds," he said.

Ola Caldwell told *CJ* she paid something toward the flight, but couldn't explain the details. "You need to talk with my husband," she said. When Robert Caldwell was first reached by phone, he said, "I want you all to quit calling me," and then hung up.

Both Fulenwider and Caldwell are Perdue appointees, Fulenwider to the state Economic Development Board, and Caldwell to the community college's board of trustees.

The Department of Commerce charged different rates for the state King Air, depending on its use. For official business, the lieutenant governor's office would pay \$560 per hour, a rate that included fuel and pilots. The plane also could have been used for political purposes at a rate of \$825 per hour, but Perdue's campaign committee would have been responsible for the bill.

On Oct. 3-5, 2008, Easley used the plane to travel to the Vance-Aycock



The State Elections Board, shown here in the recent session on Perdue's campaign flights, did not question why the campaign used convoluted and more-expensive flights when the state plane was available for less. (CJ photo by Don Carrington)

Fulenwider and his family gave \$24,000 to the 2008 Perdue campaign

Continued as 'Why,' on Page 15

Many Flight Donors Not Questioned by Elections Board

Continued from Page 1

ployees to make donations to political campaigns;

- Cameron McRae, a Bojangles franchisee and aircraft owner from Kinston;
- Dell Murphy, a Duplin county hog farmer and aircraft owner.

Over the past two years, the Perdue campaign paid nearly \$60,000 directly to individuals who provided 42 free flights. At its Aug. 23 meeting, the board fined the Perdue committee \$30,000 for not reporting the flights in a timely manner. The board also concluded that it found "no intent of wrongdoing" by the Perdue campaign.

The board also has not taken sworn testimony from a number of providers or arrangers of flights for the Perdue campaign, including:

- Mike Fulenwider, a businessman from Morganton;
- James Fleming, a barber in Morganton;
- Robert Caldwell, chairman of the Board of Trustees of Western Piedmont Community College in Morganton;
- Ola Caldwell and Robert Noyes III of Morganton;
- Trawick "Buzzy" Stubbs of



McQueen Campbell testifies before last year's State Board of Elections hearing on former Gov. Mike Easley's use of aircraft. (CJ file photo)

New Bern, a law partner of Perdue's late first husband;

- Peter Reichard, a Greensboro businessman and finance director of the Perdue and Easley campaigns;
- Terence McEnally III, a Raleigh attorney; and
- McQueen Campbell.

As for the Dec. 8, 2007, campaign flight arranged by Fulenwider and paid for by Fleming and Ola Caldwell,

Leake said he was familiar with the situation "only to the extent of having read about it two days prior to the meeting." Asked if the board would take up the issue in the future, Leake said, "The board is always continuing to inquire."

Subpoena powers

The five-member elections board has general supervision over North

Carolina's elections and is required to investigate anything with the appearance of fraud and irregularity. The board selects an executive director who oversees a staff of about 60 people.

The members are selected by the governor from a list of five nominees submitted by the Republican and Democratic state party chairmen. The governor cannot select more than three members from the same political party. The board chooses one of its members as chairman and another as secretary.

Members of the board wishing to interview additional witnesses regarding campaign flights would not need majority support to move forward.

While the chairman is empowered to "administer oaths, issues subpoenas, summon witnesses, and compel the production of papers, books, records, and other evidence," the law also allows two or more members to request that the chairman issue subpoenas for designated witnesses and documents. If the chairman fails to act, two or more members may issue the subpoenas and request the documents.

Leake told *CJ* that he was aware of the provision, but said it had never been used during his time on the board. *CJ*

Why Didn't Perdue Rent State's Cheaper Aircraft?

Continued from Page 14

dinner, a Democratic Party political event in Asheville. His campaign paid for the travel at the rate of \$825 per hour.

The round-trip flight time from RDU to Manteo is approximately 1.8 hours, placing the cost of that trip at \$1,485 rather than the \$4,243 Perdue's flight cost.

Other Fulenwider support

On Nov. 15, 2006, Fulenwider or his company paid \$1,993 for a flight allowing Perdue to travel from Chapel Hill to Asheville, but records indicated the plane started and ended its trip in Hickory. That flight was one of the 42 flights the Perdue campaign didn't disclose to the elections board until this year. The campaign didn't reimburse Fulenwider for that flight until January 2010.

Documents from the Perdue campaign show that Fulenwider also was associated with another convoluted flight Oct. 11, 2007. That flight, which listed Fulenwider Enterprises as the aircraft provider, was also in a chartered Beechcraft King Air. It originated in Hickory and then traveled to Chapel Hill, Concord, New Bern, and back to Hickory.

On Nov. 19, 2007, 39 days after

the flight occurred, the Perdue campaign recorded it as a \$3,542 in-kind contribution from Robert Noyes III of Morganton, who was an employee of Fulenwider Enterprises at the time. Like Fleming the barber, this was the only political contribution public records show Noyes had made.

In a recent phone interview, Noyes told *CJ* that he paid for the flight. When asked why the payment was reported 39 days after the flight took place, he said, "I have no idea." When asked who was holding the invoice, he said, "I am not sure." When asked whom he paid, he was silent and then hung up the phone.

Assembling aircraft providers

A footnote in the June 25 elections board report stated that Greensboro businessman Reichard and New Bern attorney Stubbs assembled Perdue's team of aircraft providers. Reichard served as finance director for the Perdue campaign and also was finance director for Easley's 2000 campaign for governor. Stubbs, a seasoned political donor who has reported 255 campaign contributions over the past two decades, was a law partner with Perdue's now deceased former husband.

"According to [Gardner] Payne, Governor Perdue advised him in 2006 that Peter Reichard was working with

Buzzy Stubbs to obtain aircraft providers for the Perdue Committee flights," the footnote said. Gardner Payne, a Raleigh attorney, was a fundraising volunteer for the Perdue campaign.

That report also stated that Reichard advised Stubbs on how to account for nearly \$30,000 in flights that Stubbs paid for through his law firm prior to November 2008.

Perdue later appointed Reichard to the state Economic Development Board. At a recent board meeting, *CJ* asked Reichard who was in charge of arranging flights for Perdue. "Everybody and nobody was in charge," he said.

Reichard said he thought Perdue was not allowed to use state aircraft for campaign functions. He said he thought all the flights now have been properly reported. "We went through an exhaustive process," he said. Reichard acknowledged he knew Fulenwider, but had no information about the flight involving Fleming.

Other problems

CJ has identified 30 individuals involved in illegal flights, suspicious payment arrangements like Fleming's, or significantly delayed payments to the Perdue or Easley campaigns.

Federal Aviation Administration officials also told *CJ* that some flight

providers might have been out of compliance with FAA rules for operating an air charter service without certification.

Companies or individuals running air charter services are subject to stricter guidelines than those operating airplanes not for hire. Charter services are required to obtain an Air Carrier Certificate from the FAA. Records show that since 2003, Marvin Shearin of Rocky Mount provided flights to Perdue at least seven times. He told *CJ* that he did not have an air carrier certificate.

Raleigh attorney Terrance McEnally provided at least five flights to Perdue. When *CJ* asked if he had an air carrier certificate, he refused to answer and said, "I don't want to be involved in this." Responding to the reporter's comment that he was already involved, he said, "Watch me become uninvolved," and hung up the phone.

McQueen Campbell, who admitted to providing numerous free flights to the Easley campaign, also provided four flights to the Perdue campaign in 2008 through his companies Raleigh Helicopter and Raleighwood Aviation. Records show he was paid for those flights. A spokesman for the FAA told *CJ* that neither of Campbell's companies had an air carrier certificate for the aircraft he used to fly Perdue. *CJ*

Key State and Federal Races to Watch on November 2010 Ballot

By DAVID N. BASS
Associate Editor

RALEIGH

With national polls pointing to a tsunami of anti-incumbent sentiment, the disruption also can be felt at the state level as the general election season goes into the home stretch in the Tar Heel State.

For months, pundits have compared this year's midterm elections to 1994, when Republicans retook Congress and captured the North Carolina House for the first time in a century. In recent weeks, political prognosticators have firmed up their predictions that an equivalent surge is in the mix for Nov. 2.

Republicans need a net gain of 39 seats in the U.S. House and 10 seats in the U.S. Senate to take control. In mid-September, the Cook Political Report projected at least a 40-seat pickup for the GOP in the House, and seven to nine seats in the Senate.

In 1994, there was a pickup of 52 seats [for Republicans]," said N.C. State University political science professor Andy Taylor. "Democrats picked up 31 in 2006. So, 40 for a wave election in the modern era is doable. The prospects are certainly very possible for the Republicans at this point."

The Democratic-aligned firm Public Policy Polling gives the GOP a 45-42 percent edge in a generic congressional ballot. The conservative Civitas Institute puts Republicans' advantage on a generic legislative ballot at 44-33 percent, the largest lead in the group's history of polling. Independent and unaffiliated voters fuel that advantage.

Races tighten

The results of two U.S. House races in North Carolina — the 8th and 11th Congressional Districts — could contribute to a Republican takeover.

The first race pits freshman incumbent Democrat Larry Kissell against former sports broadcaster Harold Johnson. A Libertarian Party candidate, Thomas Hill, is running as well.

A recent poll commissioned by the Democratic Congressional Campaign Committee gave Kissell a 48-34 percent edge, but another internal survey from Johnson's campaign put the advantage at just 39-34 percent.

Poor unemployment numbers in the district have dogged Kissell, although he's managed to maintain a lead despite a host of controversial votes over the last 18 months that could have fueled even more trouble with voters.

"I think Kissell has done a very good job of constituent outreach and availability to the citizens he serves," said Democratic strategist Brad Crone. "The politics are going to be heated, and it's going to be a dynamic race."

KEY STATE RACES

SENATE

District 8: David Redwine (D) vs. Bill Rabon (R)
District 9: Jim Leutze (D) vs. Thom Goolsby (R)
District 10: Dewey Hudson (D) vs. Brent Jackson (R)
District 19: Margaret Dickson (D) vs. Wesley Meredith (R)
District 24: (Incumbent) Tony Foriest (D) vs. Rick Gunn (R) and Barry Coe (L)
District 25: (Incumbent) Bill Purcell (D) vs. Jason Phibbs (R)
District 43: Jim Long (D) vs. Kathy Harrington (R)
District 45: (Incumbent) Steve Goss (D) vs. Dan Soucek (R)
District 47: (Incumbent) Joe Sam Queen (D) vs. Ralph Hise (R)
District 50: (Incumbent) John Snow (D) vs. Jim Davis (R)

HOUSE

District 3: (Incumbent) Alice Underhill (D) vs. Norman Sanderson (R) and Herb Sobel (L)
District 4: Mott Blair (D) vs. Jimmy Dixon (R)
District 6: (Incumbent) Arthur Williams (D) vs. Bill Cook (R)
District 9: (Incumbent) Marian McLawhorn (D) vs. Stan Larson (R)
District 10: (Incumbent) Van Braxton (D) vs. Stephen LaRoque (R)
District 22: (Incumbent) William Brisson (D) vs. John Szoka (R)
District 25: (Incumbent) Randy Stewart (D) vs. Jeff Collins (R)
District 34: (Incumbent) Grier Martin (D) vs. Steve Henion (R)
District 41: Chris Heagarty (D) vs. Tom Murry (R)
District 45: (Incumbent) Rick Glazier (D) vs. Jackie Warner (R)
District 49: (Incumbent) John May (D) vs. Glen Bradley (R)
District 51: (Incumbent) Jimmy Love (D) vs. Mike Stone (R)
District 77: (Incumbent) Lorene Coates (D) vs. Harry Warren (R)
District 81: (Incumbent) Hugh Holliman (D) vs. Rayne Brown (R)
District 88: David Mundy (D) vs. Mark Hollo (R)
District 93: (Incumbent) Cullie Tarleton (D) vs. Jonathan Jordan (R)
District 112: Jim Proctor (D) vs. Mike Hager (R)
District 116: (Incumbent) Jane Whilden (D) vs. Tim Moffitt (R)
District 118: (Incumbent) Ray Rapp (D) vs. Sam Edwards (R)
District 119: (Incumbent) Phil Haire (D) vs. Dodie Allen (R)

Johnson received national attention Sept. 16 when he was named one of 18 additions (and one of three Tar Heels) to the National Republican Congressional Committee's "Young Guns" program.

The Democratic Congressional Campaign Committee reportedly is funneling \$1.3 million into advertising on Kissell's behalf in the district. Johnson had raised just under a half-million dollars by June 30 compared to Kissell's \$704,119, according to federal elections filings.

In the 11th District, Democratic two-term Heath Shuler is facing off against political newcomer Jeff Miller, who also is one of the GOP's "Young Guns." A Civitas poll released in early August put the race at a dead heat.

Gibbs Knotts, a political science professor at Western Carolina University, said that Shuler has done a good job retaining support from the large number of conservative Democrats in the district.

"The sense is that Shuler has done an effective job since Obama has been in office of distancing himself from a good number of Obama's policies, and certainly the Democratic controlled House and Senate," Knotts said.

Two other congressional races also are on pundits' radar — the 7th and 2nd congressional districts. In the first race, Democratic incumbent Mike McIntyre is locked in a showdown with Republican "Young Gun" Ilario

Pantano, a former Marine. Pantano has a 46-45 percent lead in that race, according to a Civitas poll in late September.

In the 2nd, seven-time incumbent Democrat Bob Etheridge is facing a surprise challenge from Sara Palin-endorsed Republican Renee Ellmers.

But although the race gained national attention after video surfaced of

an angry encounter between Etheridge and two young men on a Washington, D.C., Ellmers lags badly in fundraising. She had just \$41,955 on hand at the end of June, compared to \$1.2 million Etheridge had in his campaign kitty.

State contests

To shrug off the mantle of permanent minority, Republicans need a net gain of nine seats in the state House and six in the state Senate. Aside from a brief stint in the 1990s, the GOP hasn't controlled either chamber during the 20th or 21st centuries.

Political experts say that could change in November. It'll be a good year for Republicans at the state level since voters' anger with federal elected officials will filter down, Taylor said.

"It could well be the case that one or both chambers go Republican again," he said.

Raleigh-based political consultant John Davis, the former director of a pro-business nonprofit, says that economic concerns are front and center for voters this year.

"There is a tremendous amount of money being spent [by the government] and a tremendous amount of debt, and voters frankly do not see a change in their personal sense of peace about their job stability," Davis said. "Most people have jobs, but most people are concerned about the long-term stability."

Unlike past elections, Democrats haven't outraised Republicans significantly in campaign cash. In addition, retirements in key districts long held by Democrats, mixed with good recruitment strategies by Republicans, raise the chances that the majorities will change hands.

CJ

Care about education reform?

Visit the North Carolina Education Alliance's
Web site at <http://www.nceducationalliance.org/>

The screenshot shows the website interface with a search bar, navigation menu, and several article teasers. The main article is titled "Education Tax Credits in North Carolina" and discusses the impact of tax credits on school choice. Other articles include "K-12 Update" and "Headlines".

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

UNC System Administrators Fret Over For-Profit Schools

BY JANE S. SHAW
Contributor

It may come as a surprise, but the University of North Carolina system is not just a group of educational institutions, it is also a licensing agency. It determines whether non-public schools, including for-profit schools, may operate in the state.

Last month, several officials complained that UNC is licensing colleges that compete directly with UNC schools. At a committee meeting of the UNC Board of Governors, a technical report about the process ignited an emotional discussion.

James Anderson, chancellor of Fayetteville State University, said that his university is "getting killed" by competition from for-profits. Charles Nelms, chancellor of North Carolina Central University,

said that there is "no way we can compete" with their marketing power. A member of the committee expressed chagrin that the state has allowed a private, for-profit law school (Charlotte Law School) to be established, and another said that if the for-profits can't get their graduation rates up, the state should "jerk their license."

Thus, the discussion had two major themes: One was that the for-profits are taking away business from UNC schools; the other, that some of them are not providing a quality education. The Board of Governors formed a committee to review the state's licensure of those institutions.

North Carolina has been licensing post-secondary schools since 1923, presumably to make sure that they are providing a quality education. In 1972, when the university system was consolidated, the system was given the licensing responsibility, and it has been licensing private post-secondary schools ever since. Currently, 26 non-public schools are licensed in the state. Fourteen are for-profit colleges; 12 are nonprofit.

UNC does not license all "non-public" schools — Duke or Wake Forest, for example, are not licensed. All colleges operating in North Carolina in 1972 were "grandfathered in" when UNC took over the job. In addition, strictly religious schools are exempt from licensure, as are schools that operate solely on military property.

At the meeting, for-profit schools

were the focus of the complaints. While they have expanded the market for higher education to underserved populations, especially working adults, they have draw a lot of fire nationally, especially from officials at more established schools.

Some critics think that the very fact that a school seeks profit taints it. But more specific criticisms have emerged. Congress' Government Accountability Office found unethical recruitment tactics and misrepresentation at 16 for-profit schools—and U.S. Sen. Thomas Harkin, D-Iowa, harangued the industry in highly publicized hearings. Other critics point to the schools' heavy reliance on federal funds.

Given the prevailing attitudes about for-profits, the animus against them at the UNC Board of Governors committee meeting is not surprising. Fayetteville State's Anderson said his school is losing potential students to for-profits, which advertise constantly on the airwaves — while Fayetteville State has had to cut its marketing budget.

He explained that for-profit schools are recruiting the same non-traditional students who attend historically black colleges and universities and UNC-Pembroke. He also said that many of these potential students are "not sophisticated enough to look at programs and compare." They may end up paying "three times the cost" of public university tuition. And the for-profits' graduation rates for students of color are "miserable."

The discussion, while heated, was brief. Two possible directions emerged. One would be the imposition of tough restrictions on these schools. But there is already some evidence that UNC's scrutiny has been strict: North Carolina's 26 licensed postsecondary schools compare with an average of 64 among seven other southeastern states. (Florida has 133; South Carolina has 26, the same as North Carolina.)

The other idea is that the schools in the UNC system should compete more vigorously. Which direction the Board of Governors takes will be determined in the months ahead. CJ

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

UNC system schools worry that for-profit schools with greater marketing budgets are luring students away

COMMENTARY

Not Much Of a Tuition Cap

Four years ago, the UNC system established a 6.5 percent cap on tuition increases. At the Board of Governors meeting Aug. 12, university system officials hailed that cap as an outstanding success and introduced a proposal to update it. But there is a problem with that self-congratulatory analysis: This year's tuition increases for resident undergraduates averaged 23.1 percent throughout the UNC system. And most of the increase — at N.C. State University it was \$750 out of a total of \$900 — was imposed only six weeks before the start of school, forcing many students to scramble for extra money.

With such big increases fresh on people's minds, they should have been an important feature of the tuition policy discussion at the meeting. Yet UNC officials glossed over them. Jeff Davies, the UNC system's chief of staff, said that "since 2006, we set tuition in accordance with the plan. ... Students had predictability and affordability."

But if the intent was to make things predictable and affordable so that students and their families could plan and prepare, jerking up tuition 20 percent or more at the last minute does not sound like a resounding success. Drastic increases at the last minute hurt the students least able to deal with such changes — the ones who are neither wealthy nor eligible for large amounts of financial aid.

In fact, when it comes to predictability, no tuition cap is preferable to an administration that arbitrarily ignores the cap in place. At least when there is no cap, students and their families can expect a surprise. Now that the system is exploring a second version of the policy, the first step should be to ask what is the point of announcing a cap if officials will cast it aside whenever the economy makes it expedient to do so.

The new policy proposal, created by a committee of campus administrators, serves the purpose of administrators by smoothing out their revenue expectations. It

does so by tying tuition increases to changes in state appropriations: The less money the legislature provides the universities, the more money the universities can raise through higher tuition.

The committee established a threshold by adding the historical averages of tuition increases and appropriations. Between 1971 — the final year before all the public colleges in North Carolina were consolidated into one system — and 2005, the system averaged a 6.0 percent annual increase in appropriations and an annual tuition increase of 6.5 percent. Therefore, the threshold is 12.5 percent.

In this new scheme, the annual tuition cap increase will be calculated by subtracting the increase in appropriations from the 12.5 percent threshold. In other words, in a historically average year, the 6 percent increase in appropriations will be subtracted from 12.5 percent, resulting in a tuition cap of 6.5 percent. However, tuition increases will be limited to 10 percent or less, even if the state's appropriations increase is less than 2.5 percent.

This proposal almost guarantees substantial annual increases in revenues to the system. It essentially eliminates the possibility of occasional budget reductions that can force the system to discover and reduce waste.

So what does this portend for the near future? For one thing, with the economy still in the doldrums and the November elections likely to produce a more frugal legislature, state appropriations will continue to be low, and students should be prepared to fork over significant tuition increases in the 8 percent to 10 percent range for the foreseeable future.

Unless, of course, the system again ignores the tuition cap because it's not satisfied with what it gets from the legislature. CJ

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



JAY
SCHALIN

Campus Briefs

Colin Beavan, better known as “No Impact Man,” delivered the Synergy Common Reading Keynote Address to a sold-out audience at the University of North Carolina at Wilmington Sept. 20. Beavan earned his moniker when, in 2006, he launched a yearlong experiment in which he, his wife, his 2-year-old daughter, and his dog went “off the grid” and attempted to live in New York City with as little environmental impact as possible.

At the end of his experiment, he wrote *No Impact Man: The Adventures of a Guilty Liberal Who Attempts to Save the Planet, and the Discoveries He Makes About Himself and Our Way of Life in the Process*, which was chosen by UNCW as this year’s freshman reading.

According to university spokeswoman Dana Fischetti, the university chose the book because it would “get students talking about issues and spark passionate discussions of an interdisciplinary nature.” The program directors also had received several requests for books about the environment and sustainability. Moreover, she said, the committee liked the fact that students “could take action and get involved with the issues” in this book rather than simply reading about them.

UNCW isn’t the only school using Beavan’s work. The No Impact Project (inspired by the book) offers an environmental education curriculum for K-12 teachers. Other colleges, including Ohio State University, also chose *No Impact Man* for this summer’s freshman reading. And Beavan will speak at campuses around the country: Illinois Wesleyan University, the University of Texas at Austin, Texas State University, Cleveland State University, Ohio State University at Mansfield, and several others.

In an interview on the No Impact blog, Beavan explains his philosophy: “We’re out of balance and out of touch. This has led to a system that is destroying our planet. Perhaps the sadder part is that it is destroying our souls, too.”

Beavan’s speech was co-presented by the UNCW Leadership Lecture Series and University College. Beavan’s contractual speaking fee is \$10,000. UNCW also paid for his travel and lodging. CJ

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

Ethics Issues Surround UNC-TV’s Alcoa Stories

By RICK HENDERSON
Managing Editor

RALEIGH

It may be a coincidence, but an unusual interpretation of the state’s ethics law may have saved Raleigh attorney and lobbyist Bruce Thompson from potential ethical peril. It’s the latest twist involving UNC-TV — an agency of state government — and the network’s compromised coverage of what became known as “The Alcoa Story.”

Ethics watchdogs say UNC-TV’s conflicting roles as both a journalistic enterprise and an arm of state government led to an ethical muddle for Thompson. One of his lobbying clients is Stanly County, which spearheaded efforts by the state to take over Alcoa property via legislation, but he also was a member of UNC-TV’s board, which oversees the network’s programming and fundraising.

Further, he corresponded by e-mail roughly two dozen times with UNC-TV legislative reporter Eszter Vajda between August 2009 and April 2010, when she was covering the Alcoa controversy. Thompson resigned from the board Sept. 7.

UNC-TV not covered by ethics law

Normally this might present conflict-of-interest issues under the state’s ethics law, but UNC-TV is not covered by the law. In December 2009, Gov. Bev Perdue issued an executive order adding 15 state advisory boards, including the North Carolina Film Council and the Economic Development Board, to the group of public agencies and policymaking entities covered by the ethics law.

UNC-TV’s board was not on that list.

If the ethics law covered the UNC-TV board, Thompson, along with the other board members, would have been required to file a Statement of Economic Interest spelling out his assets, property, sources of income, and lobbying contracts, among other things. The state Ethics Commission reviews the statements, flags any actual or potential conflicts of interest, and notifies the board chairman of those conflicts.

The “covered person” is supposed to “refrain from any undue participation in the particular matter” during board meetings. And the ethics law discourages anyone covered by it from using his authority to place undue pressure on state employees, and Vajda was one at the time.

Even though the UNC-TV board is not covered by the state ethics law, “The general idea of conflict of interest and recusal applies to all boards/commissions that are stewards of state and private resources [including UNC-TV], whether covered by the Ethics Act or not,” Frank Perry, director of investigations and communications at the nonprofit Foundation for Ethics in Public Service, wrote in an e-mail to *Carolina Journal*.

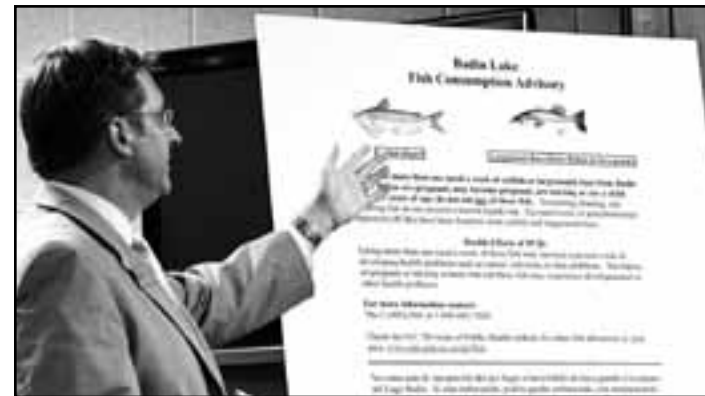
“[C]ommon sense parameters of such stewardship would make it clear that Thompson’s ‘conflict of roles/interest’ require recusal or disclosure, and certainly not after the fact,” he wrote.

Legislative committee demands materials

Before the network aired news stories on the dispute over a state water-quality certificate, a federal license letting Alcoa continue operating four hydroelectric dams in central North Carolina, and legislation enabling a state takeover of its assets, a legislative committee demanded that UNC-TV surrender thousands of pages of e-mails and other journalistic materials.

Those materials showed that state Senate President Pro Tem Marc Basnight, D-Dare, phoned UNC-TV General Manager Tom Howe, alleging “some collusion with some of the Alcoa lobbyists” and station management. Vajda “should not be punished by anyone in your operation” for her Alcoa reporting, Basnight said.

Vajda was fired in August after public documents from the network revealed that she had developed close ties with lobbyists and public officials who were pushing the takeover. In the view of many, UNC-TV compromised the



Stanly County lobbyist and former UNC-TV board member Bruce Thompson, making a presentation on water quality at Badin Lake before the Senate Judiciary II Committee’s hearing on the Alcoa takeover bill Aug. 5, 2009. (CJ photo by Don Carrington)

network’s independence as a news-gathering organization by caving to the wishes of the General Assembly.

First Amendment attorney John Bussian, who represents the North Carolina Press Association, said UNC-TV should have claimed an exemption from the General Assembly’s demand for materials under the state’s press shield law. By capitulating to the legislature’s orders, he said, the station left itself vulnerable to future document raids by the government.

During the dustup over UNC-TV’s Alcoa coverage, “everyone assumed this is a public agency, but its board isn’t covered by the ethics law,” Bussian said. “That isn’t right.”

The state ethics law is designed “to ensure that elected and appointed state agency officials exercise their authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence.” The law covers elected officials, members of policymaking boards, and some state advisory boards — including boards added through executive orders by the governor.

In an e-mail, Thompson said he had “a duty” to respond to questions from Vajda. “It was not a conflict of interest for me to discuss facts about the Alcoa matter with Ms. Vajda,” he said. Thompson considered UNC-TV no different than any other news source. “Media outlets often cover issues in which board members are involved,” he added. Thompson also said station management and staff were aware that he represents Stanly County.

On Aug. 5, 2009 — three days after Vajda e-mailed Thompson (subject line: “Alcoa”) — he testified before Sen. Fletcher Hartsell’s Senate JII Committee on the Alcoa legislation, in part making a presentation about PCBs in fish in Badin Lake.

Then, in a series of e-mails between April 23-27, 2010, Vajda asked Thompson to find someone who could test the waters of Badin Lake. (The subject line read “Need names of people to conduct fish test ASAP!”) Thompson wrote to CJ that Vajda had tried to contact Clemson University forestry professor John Rodgers, who conducted a fish tissue study at Badin Lake. Rodgers was involved in litigation, Thompson said, so he suggested Vajda contact Gregory Cope, a toxicology professor at N.C. State University.

‘Conflict of roles’

There’s a murky area surrounding “conflicts of roles” and potential conflicts of interest making ethics watchdogs uneasy about Thompson’s activities. Thompson was serving on the board of UNC-TV, a public agency. The station was reporting on a policy dispute involving one of his clients — Stanly County, another public entity. He did not disclose a potential conflict of interest in writing to the UNC-TV board until July, months after the Alcoa-related communications with Vajda began.

Thompson may have been under no legal obligation to disclose either potential conflict, Perry said. But when a public official’s personal interest, such as a financial incentive, may run counter to his ability to provide objective judgment to others, a potential conflict of interest exists. CJ

Opinion

In Higher Education?, the Left Takes Aim at Ivory Tower Faults

Never judge a book by its jacket blurbs. *Higher Education?* — by professors Andrew Hacker and Claudia Dreifus — sports praise from Jonathan Kozol, Barbara Ehrenreich, and Joseph Stiglitz, all individuals with whom I have deep philosophical disagreements. So my pre-reading hunch was that I would despise the book on the theory that a friend of my enemy is my enemy.



GEORGE LEEF

Wrong. Hacker and Dreifus have written a devastatingly honest, forthright book on the waste and folly that's rampant in American higher education. In a nutshell, they're saying that our colleges and universities cost much more than they need to, while delivering much less education than they should.

That's a message that isn't anchored at any spot on our wide political spectrum. For many years, free-market proponent Thomas Sowell has been arguing that the trouble with our education system is that it is run for the benefit of those who produce education (faculty and administrators) rather than those who consume it (students). Hacker and Dreifus strengthen his point with their book.

The authors subject the conventional wisdom about higher education to withering scrutiny.

• Higher education must prepare workers for the demand-

ing jobs they will face. Nonsense, respond Hacker and Dreifus. Colleges are the wrong place for vocational training. There is no need for future resort managers, furniture designers, or landscape architects to study the basics of those occupations in college. Besides, people can be good at jobs for which they haven't had any training in college.

• If we don't produce more college graduates, we'll fall behind China, India, and other countries. That's a silly notion, they say. If we really need more scientists and engineers, students will be drawn into those fields.

• College education makes people more thoughtful and civically engaged. The authors retort, "We haven't found that ballots cast by college graduates express more cogent thinking than the votes of other citizens. Even now, as a nation, are we more thoughtful than Illinois farmers as they stood for three hours as they pondered the Lincoln-Douglas debates?"

• We train our future leaders through higher education. Stop your pompous strutting, Hacker and Dreifus say (not their exact words, but that's their sentiment) — leaders are just as likely to come from the back



Authors say education costs more than it should and delivers less than it should

roads of America as from Ivy League classrooms. Having a college degree is neither necessary nor sufficient for being a leader.

Having brushed away scornfully those and other poor reasons for college, the authors give us their vision. College education should be about "getting young people to use their minds as they never had before, thinking about hard realities and issues that strain their mental powers." That's a good formulation, but unfortunately a large percentage of American high school graduates don't want any such experience.

The most controversial parts of the book are the authors' stances against activities and diversions that drive up costs and work at cross-purposes with the goal of giving undergraduates a worthwhile education.

The mania for intercollegiate athletic glory dominates at most colleges and universities, ranging from obscure liberal arts colleges to behemoth state universities. The vast majority of sports programs lose lots of money that should be spent on academic programs and they undermine academic integrity. Most students would be

entirely content with club sports run on a small budget, they maintain. Another target is administrative overload. Most colleges and universities employ regiments of well-paid administrators who, they write, "become adept at weaving webs of words, sentences, and paragraphs to justify their presence."

Tenure also takes a barrage. Hacker and Dreifus would do away with it, arguing that it does little or nothing to protect academic freedom but imposes large costs. Well-written contracts for faculty would do as much to protect against wrongful termination without creating the problem of faculty "deadwood."

Finally, the authors attack faculty research. The trouble is that most research is of scant intellectual value and has none at all for the students.

Wasting resources and undereducating our young people is bad whether you're a liberal, a conservative, a libertarian, a Marxist, or anything else.

Because our higher education system is dominated by people of the left, those people often treat criticism from nonleftists as mere ideological griping.

The subtext of *Higher Education?* may be that it is all right for liberals to join the higher ed reform movement — that they shouldn't feel like traitors for agreeing with the likes of Sowell that our higher education system has become a prodigiously expensive special-interest program. CJ

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

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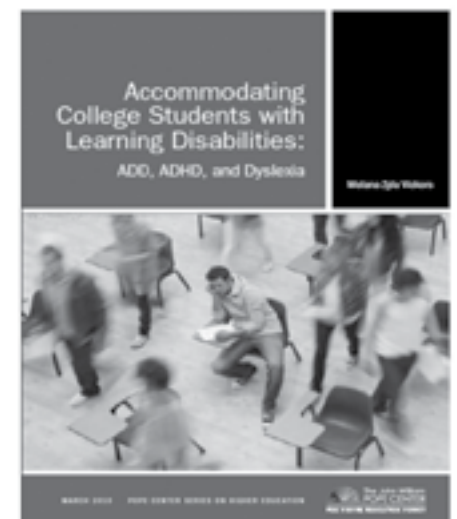


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From the Liberty Library

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• In *The Ruling Class*, Angelo Codevilla introduces readers to the group of bipartisan political elites who run America. This ruling class, educated at prestigious universities and convinced of its own superiority, has everything to gain by raising taxes and expanding the reach of government. This class maintains that it knows what is best and continually increases its power over every facet of American life.

The majority of Americans feel that the ruling class is demeaning us, impoverishing us, and demoralizing us. They want to be rid of it. Learn more at www.beaufortbooks.com.

• In his important new book, *Reforming Our Universities*, best-selling author David Horowitz tells the dramatic story of his ongoing campaign for an Academic Bill of Rights to protect students who want to think for themselves.

He also reveals his latest effort: the Adopt a Dissenting Book Campaign. Tackling syllabi and reading lists that don't present both liberal and conservative points of view, the Adopt a Dissenting Book Campaign will assist students in petitioning their professors to incorporate a dissenting text into the curricula.

Insightful and compelling, the book exposes the underbelly of the academic world and just might be Horowitz's most important book yet. More at www.regnery.com. CJ

Movie review

'Inception': Mind-Blowing Thriller With Subtle Payload

• *Inception*, Directed by Christopher Nolan, Warner Bros. Pictures, Released July 16, 148 minutes.

BY JOHN CALVIN YOUNG
Contributor

"What is the most resilient parasite? Bacteria? A virus? An intestinal worm? An idea. Resilient ... highly contagious. Once an idea has taken hold of the brain it's almost impossible to eradicate. An idea that is fully formed — fully understood — that sticks."

Dom Cobb (Leonardo DiCaprio) opens Christopher Nolan's "Inception" with a surprisingly deep discourse on the power of ideas. Yet this action thriller will not disappoint, with pulse-raising suspense and effects-driven thrills to delight the most jaded of theatergoers. Its complex plot, futuristic premise, and incredible visuals will please many looking for the cheap thrills of a summer blockbuster. But its rich tapestry of subtexts and hidden meanings will keep viewers busy for days figuring out the myriad twists and turns of its compelling plot.

In a world where dreams can be constructed, manipulated, and shared through drugs and neural links, a person's subconscious can be a rich field for the data miner. Or data thief, rather. Dom Cobb is an extractor — a white-collar corporate spy. He and his team enter a mark's dreams, sometimes entering building dreams within fragile dreams to find the strongbox deep within a man's subconscious, holding the secrets he keeps even from himself.

Cobb is the best of the best, an expert in his field. He once designed dream worlds for others, but makes it impossible for him to continue, he goes into the field as an extractor.

A heist goes bad, and Cobb is offered amnesty on his record and the opportunity to go home if he can complete an impossible assignment — rather than extract information from a subject, plant an idea, instead, in his mind, an idea whose genesis the mark will never suspect, and will accept as his own a small, but insidious idea, sufficient to make him change his course of action.

To pull off this feat, Cobb must assemble his team — innocent Ariadne (Ellen Page), reliable Arthur (Joseph Gordon-Levitt), colorful Eames (Tom Hardy), and mercenary Yusuf (Dileep Rao) — willing to go not just into one dream or two, but three or more layers deep into a man's mind to perform the most audacious heist in history.

The challenge: Stop a massive corporation's takeover of half the world's energy supplies. Robert Fischer (Cillian Murphy) is the sole heir to the corporation and the only man who can destroy his father's empire. To convince Fischer to break up his inheritance, Cobb's team must destroy his trust in his advisers, plant documents and memories, and rebuild Fischer's conflicted relationship with his father — all within a dream, 10 hours in a plane, 30,000 feet over the Pacific.

The danger: limbo. As time speeds up in dreams, a

dream three layers deep can allow a man to live a lifetime in the course of a night. Under sedation, mistakes can happen — if you are killed in the dream, you will go insane in the ages before you wake. And dreams are dangerous places. The team must layer dream within intricate dream to catch Fischer, to plant the little seed, the subliminal, counterfactual, illogical idea that will change his life — and the world — for years to come.

Cobb is better at his craft than anyone on his team, but he carries a fatal weakness. The dreamer builds the world, but the subject's mind inhabits it — literal figments of the subconscious imagination become real. As they drill into Fischer's psyche, more and more of Cobb's subconscious comes out to play. The spectre of Cobb's dead wife, Mal, haunts his dreams, thwarting his plans, endangering all with him as guilt and sorrow for her death wrack Cobb's

soul. Ariadne must be willing to go to the brink, and beyond, cheating death and insanity, if she is to unravel Cobb's obsessions and give them any hope of survival.

Given the science-fiction premise of dreamers with access to eternal, addicting ages of time where only the experience is real (everyone knows that when you die, you wake up), "Inception" is surprisingly clean. But when reality itself becomes unreliable, and a lifetime of emotions and experience can come to be no more than an afternoon in a dream, morality takes a similar turn. There is no smut in "Inception," but that doesn't mean it's suitable for children — and parents should think twice before introducing it to their teens. The problem lies in the structure of the fantasy — when death is a release, and only pain is real, morality gets twisted, fast.

Deep in the dream, Fischer eventually is trapped with a "Mr. Charles," where the mark is convinced that the extractors are here to defend him from a

psychological attack and is enlisted to help break into his own mind. "Inception" tells us we're on the side of the angels but takes us on a rollercoaster ride not unlike Fischer's.

The movie feeds us one mind-bending change in reality after another, subjecting us to worlds where even gravity is called into question. More dangerous is life and death in the dream world — pain is to be avoided, suicide the best way out, and superstition the only way to hold on to reality. Even more insidious, the film leaves the viewer with deep-seated questions (and unsettling doubts) about the nature of dreams and of reality in general.

Christopher Nolan has invited us into his dream, into a vast world where dreams can nest into dreams and subconscious thoughts become physical realities. Dom Cobb warns of us of the danger: Dreams plant small ideas, which can grow to define or destroy a man. We follow our guides down level after level as they plant just such an idea to change the course of a man's life. "Inception" is a mind-blowing experience, no doubt about it. But when someone else's dream takes us on a ride like this one, we would do well to consider the payload. CJ



The Tea Parties Have Nothing on Wilmington's Sons of Liberty

A glance at recent newspaper headlines reveals that many Americans are concerned with the possibility of perpetual tax increases.

Tea Party protests over the prospects of higher taxes have led some critics to claim that the Tea Party is turning America into, in the words of British columnist Clive Crook, a "dysfunctional democracy."

Similar views are being expressed in the United States.

The movement has been labeled by self-styled elites as being concerned only with "nonsense." Its followers' concerns have been dismissed by such notables as Colin Powell, former secretary of state under George W. Bush, and New York City Mayor Michael Bloomberg.

Many of the critics seem to praise democracy until populist tendencies work against them. What some consider dysfunctional, un-



**TROY
KICKLER**

American, and reactionary is simply a revival of an American tradition. As I've stated numerous times — and it's worth repeating — Americans have questioned government growth and increased taxation since the 1600s, for the two can't exist without each other.

During colonial times, the Sons of Liberty did more than question the Stamp Act of 1765 — a tax by the Crown on all printed materials. Although the tax was not exorbitant, its frequency reminded Americans that the government interfered with almost all economic and legal transactions — newspapers, deeds, legal judgments, advertisements, almanacs, and certificates of compliance with customs regulations. Any public business was taxed.

The Sons of Liberty in Massachusetts have received much historical attention; however, North Carolina also had a particularly active group in Wilmington. While colonial assemblymen argued in their respective legislatures that only their representative body could levy taxes on colonists, the Sons of Liberty in Wilmington pledged to resist the Stamp Act with "their lives and their fortunes."

William Houston accepted the

Crown's offer to be North Carolina's stamp distributor — a position he probably regretted accepting. When the medical doctor arrived in the port city in November 1765, angry Wilmingtonians met the newly appointed bureaucrat and persuaded him to resign. That month, the same North Carolinians, more than likely, forced the *North Carolina Gazette* editor to start issuing unstamped editions.

More protests followed. Walking through the streets of Wilmington with a coffin, North Carolinians held mock funeral processions (a common means of protest during the 1600s and mid-1700s). Inside the coffin was not King George III, a stamp distributor, or a tax collector, but Liberty — to portray the death of freedom. Colonists wished not to overthrow the king, but to urge him to perform his duty and be a good ruler.

Maurice Moore was a pallbearer in one such procession on All Hallows Eve 1765. That same year he wrote *The Justice and Policy of Taxing American Colonies in Great Britain*. In it, he specifically condemned taxation without representation. As punishment, the royal Gov. William Tryon stripped Moore of his judicial appointment on

the Superior Court.

The following year, British officials worked to subdue Wilmingtonian radicalism. In the Cape Fear River, they started seizing American vessels without stamped clearance papers.

When the Sons of Liberty learned that the captains were to appear in admiralty court, approximately 1,000 men assembled in Wilmington in February 1766 and forced the tax collector to release the captured vessels and open the port.

Three days later, every court and customs official swore to ignore the Stamp Act. With their mission accomplished, association members left Wilmington and went back to their stores and their farms, as they had a limited purpose: to open the Cape Fear River to navigation and trade.

After that February, British officials had (no doubt) a vivid recollection of the association's action and were hesitant to disregard their agreement with one of the most active Sons of Liberty groups in the colonies. CJ

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

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Short Takes on Culture

Wit, Wisdom, and Sowell

• *Dismantling America*
By Thomas Sowell
Basic Books

Through the haze of political rhetoric and obfuscation, one occasionally encounters simple truth: "Whoever called politics the 'art of the possible' must have had a strange idea of what is possible or a strange idea of politics, where the impossible is one of the biggest vote-getters."

That's just one of the astute observations that crop up regularly in Thomas Sowell's columns. If you occasionally miss his regular servings of wit and wisdom — or if you want a second helping — you'll enjoy this new collection of recent columns.

Perhaps "enjoy" is the wrong word, since Sowell focuses on the cultural, legal, political, and economic developments that threaten to "dismantle" America. Consider his assessment of progressive intellectuals: "How have intellectuals managed to be so wrong, so often? By thinking that because they are knowledgeable — or even expert — within some narrow band out of the vast spectrum of human concerns, that makes them wise guides to the masses and to the rulers of the nation. But the ignorance of Ph.D.s is still ignorance."

Sowell's verbal machete hacks away the underbrush at the frontier of ignorance — whether he's questioning the Obama administration's coddling of terrorists, deploring judges' ignorance of constitutional restraints, or exposing the fissures in the infamous Duke lacrosse "rape" case.

The American soul could use a lot more Sowell.

— MITCH KOKAI

• Wallace Wade Stadium
Duke University
www.goduke.com

I attended the Alabama vs. Duke football game Sept. 18. It was my first time seeing the Blue Devils play and my first visit to Wallace Wade Stadium.

In the past, Duke has beaten three reigning national champions, but they were no match this time against the current national champions. Alabama easily won the game, 62-13.

Some would argue in Duke's defense that this is basketball country and Duke is the presiding national champion in that arena. However true this may be, Duke's football program should not be overlooked, and at least one visit to Wallace Wade Stadium

this fall is warranted.

The stadium is named after one of Alabama's and Duke's most successful coaches. Wallace Wade won Alabama's first three national championships and then later took on the Duke football program, where he won six conference titles. The stadium, built in 1929, normally seats almost 34,000 people, but 39,042 fans showed up for the Alabama-Duke game, the largest turnout in 16 years.

The stadium has a unique claim, in that it is the only facility outside Pasadena, Calif., to host the Rose Bowl, which it did during World War II as a precaution against a Japanese air raid. The horseshoe-shaped stadium with a colossal video scoreboard at one end is only 32 rows high, ensuring there is not a bad seat in the house.

— KELLIE SLAPPEY

• "Despicable Me"
Directed by Pierre Coffin
Universal Pictures

When a rival super villain pulls off an impossible heist — stealing the Great Pyramid — ne'er-do-well Gru, desperate to retain his position as the world's greatest criminal mastermind, devises an audacious plan to pull off the greatest kidnapping in history — shrink and steal the moon!

Even when the plan calls for adopting three cute sisters from an orphanage, he doesn't hesitate. To him, they're merely cogs in the machine. Yet Agnes, Edith, and Margo aren't about to give up their dream of an ideal dad that fast, just because he turned out to be a thief. And we all know little girls can be persistent when they put their minds to it.

While Gru and his army of elfin yellow minions battle their nemesis for control of the moon, little questions begin to seep in at last. Will Gru send the girls away to retain what he sees as his core identity? Or has something deep within Gru escaped notice all this time? Can a super villain change his colors?

It may be a kid's film with a preposterous premise, but that doesn't mean *Despicable Me* doesn't pack an emotional punch. In between the hilarious slapstick antics of Gru's minions and a double dose of cuteness from three adorable little girls, we consider the harder questions of selfishness, love, betrayal, forgiveness, and adoption.

— JOHN CALVIN YOUNG *CJ*

Book review

Armeiy Writes 'Tea Party' Primer

• Dick Armeiy and Matt Kibbe, *Give Us Liberty: A Tea Party Manifesto*, New York: Harper Collins, 2010, 266 pages, \$19.99.

BY MELISSA MITCHELL
Contributor

RALEIGH

Like millions of average Americans, I have attended a Tea Party. Have you ever wondered how, in the 21st century, so many Americans have associated with groups named after the original Boston Tea Party of 1773? Have you wondered where this movement originated? Who leads it? What are the values and concerns of the Tea Party attendees? When did the name "Tea Party" become synonymous with these protesters?

Dick Armeiy, chairman of FreedomWorks' board of directors, and FreedomWorks president Matt Kibbe answer these questions in *Give Us Liberty: A Tea Party Manifesto*.

The Tea Party idea originated with a Feb. 19, 2009, on-air rant by CNBC reporter Rick Santelli. Infuriated

by media coverage suggesting that the housing bailout would force people who could pay their mortgages to subsidize their neighbors who couldn't, Santelli said, "It is time for another Tea Party, and I'm organizing it." The authors provide unique parallels between today's Tea Party members and those original Tea Party protesters.

From a small town in North Dakota, Armeiy eventually became the chairman of the economics department at North Texas State University, a U.S. congressman, and, finally, House majority leader. He's an American success story.

Armeiy's values also fuel the Tea Party movement: low taxes, less government, and anger at government spending. These values drove Armeiy to run for Congress in 1984 and led him to leave Congress in 2003. He expressed his disgust with the Republican leadership in a note he wrote during a meeting in 2002: "Every week we come to town and do things we ought not do in order to keep the majority so we can do the things we ought to do but never get around to doing."

But where did the Tea Party movement start, and who is its leader? The book introduces average citizens who were fed up with some aspect of government and took to the streets.

Their stories are inspiring. From Mary Rakovick, a Florida resident who was disillusioned with the ballooning deficits under President Bush and felt the bank bailout was wrong, to Keli Carendar in Seattle, Wash., who organized a "Porkulus Protest" in downtown Seattle, the book shows how small protests, with help from FreedomWorks advisers, spread across the country and led to more than 1 million people flocking to a rally in Washington, D.C., Sept. 12, 2009.

Critics also want to designate a leader, so they can follow Saul Alinsky's admonition — "Pick the target, freeze it, personalize it, and polarize it." It's impossible because you cannot demonize more than a million average Americans.

Ironically, the authors strongly urge everyone to read Alinsky's book *Rules for Radicals* and understand how the left is working to control the political scene.

Armeiy and Kibbe — outspoken critics of Bush's bailout of Wall Street — criticize conservative think tanks and politicians

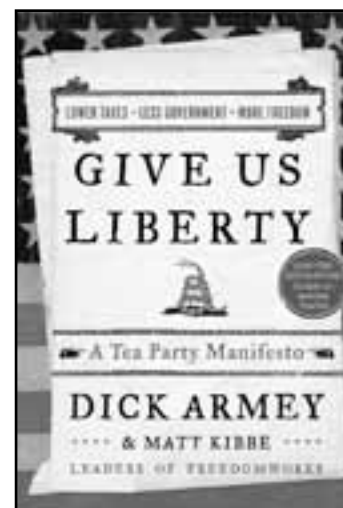
that supported it. Although many backers of the bailout now believe they were mistaken, Armeiy is baffled and annoyed that they did not realize the consequences of their actions at the time.

The book promotes how FreedomWorks and its local training workshops are expanding grass-roots activism, but none of this would be happening if large numbers of Americans were not disgusted with government.

"The Contract with America was a top-down movement, which started in Washington, but the Tea Party movement is a bottom-up movement," Armeiy says. The book presents a 10-point manifesto called the "Contract From America," laying out the values Americans expect elected officials to hold.

Armeiy sees the movement as a political watchdog rather than a third political party. Unlike political party activists, who "take up their yard signs and go home after the election," he says, Tea Partiers will continue to monitor elected officials.

Finally, the appendix — a "FreedomWorks Grassroots Activism Toolkit" — is an excellent resource for individuals who want to stage a protest or just be involved in changing the climate of Washington. *CJ*



Seven Events Makes Connections Most of Us Haven't Thought About

• Larry Schweikart, *Seven Events That Made America America (And Proved That the Founding Fathers Were Right All Along)*, New York: Sentinel, 2010, 258 pages, \$25.95.

BY HAL YOUNG
Contributor

RALEIGH
Larry Schweikart, co-author of *A Patriot's History of the United States*, writes, "The most important — and interesting — parts of history to understand are those that spark deep and significant changes but are not necessarily obvious."

This can be as simple as looking beneath the whitecaps of Yorktown, Pearl Harbor, and 9/11 to seek the ocean currents underneath; any decent high school history teacher will do it. Schweikart goes far deeper in *Seven Events That Made America America*, but in the process tells us something about the historian as well as the history.

Implicit in the title is Schweikart's definition of "America." This historian's view of the U.S. is affectionate but disappointed. It's a land of overgrown bureaucracy, a nanny state which imposes wrongheaded remedies on a culture increasingly accustomed to its meddling. Its leaders bring deep-seated philosophical errors to the diplomatic table and junk science to the dinner table. Even its revolutionaries are bogus, posing as faux radicals in order to peddle records and "image." This is reported dutifully by a hypocritical news media pretending to report facts while promoting their own partisan agendas.

And that's just the highlight reel.

Even so, *Seven Events* is an interesting collection of connections and trends many of us haven't thought

about. Schweikart's style is entertaining, sardonic, and lively; the professorial grasp of facts and currents is always at the surface, but it's never sedate, and it never deadens the narrative.

Because of the premise, too, *Seven Events* always connects to the present. These events created the country we inhabit today, and many of us are trying to fix the problems created or exacerbated by the history he recounts. This is not just a chronicle of people and dates, but a map recording both the pathway from the past and a possible course to a brighter future, if we care to backtrack a little.

The best chapters may involve the nature of life and the government's responsibility for fostering and protecting it. The section on federal disaster relief compares the aftermath of Hurricane Katrina in 2005 with the cleanup of the Johnstown Flood in 1889 and several disasters in between. While Katrina displayed the fecklessness of government leaders at every level, with thousands displaced and homeless while waiting for tax-funded assistance, Johnstown was saved by private initiative. Residents who had barely dried off from the torrent organized themselves to rescue the stranded, bury the dead, and shelter and feed their neighbors. Pennsylvania militia helped with law enforcement, but private businesses and individuals rallied to rebuild the town and relieve the suf-

fering.

In a massive flood of Dayton, Ohio, in 1913, the head of National Cash Register Company, John Patterson, turned his headquarters staff into emergency management teams. His employees built 276 boats to rescue survivors in the first three days of the flood, while others served 2,700 meals a day from the company commissary. While government does its prescribed

duties like defense and diplomacy quite well, Schweikart writes, its efforts at expanded roles generally fall short.

More to the philosophical side, Schweikart takes another look at the *Dred Scott* decision. While we've all heard that *Dred Scott* failed to uphold the dignity and personhood of African-Americans, it also resulted in widespread bank failures and the Panic of 1857. How so? Schweikart points out that as long

as slaves were protected as property, many plantation owners held more wealth invested in the form of human lives than they did in land and houses. That wealth was safe under *Dred Scott*. The uncertainty the decision produced in the Midwestern free soil/slave state controversies wrecked Eastern financial markets.

"[There] is a smoking gun tying the *Dred Scott* Supreme Court decision to the ongoing events in Kansas and a further expectation about that kind of civil war and lawlessness spreading throughout the territories," he writes. When immigrants and small farmers

in the north realized they would have to compete against slave-labor plantations in the new territories, midwestern migration dropped. Overextended railroad speculators found traffic drying up and their bond markets collapsing. The reasons behind the failures were misunderstood at the time, and "[that] flawed analysis of the causes of the Panic of 1857 was piled on top of the other disastrous fruits of *Dred Scott* to push the nation to war." By overstepping its authority, the Supreme Court may have made secession inevitable.

Although the book's subtitle references the Founders, Schweikart spends most of his time on later events. Like any list maker, he chooses his favorite subjects and omits others. The professor admits he played in a rock band once, and was delighted to count the sham revolutionary movement of American rock as one of the "events." He barely touches on the expansion of railroads, the rise of Progressivism under the two Roosevelts, or the cultural shift from a largely Protestant Christian milieu to an officially agnostic, or at best deistic, relativism. He does make a nice package by starting the book with the frank, flaming partisanship of newspapers in the 1830s and closing with the election coverage of 2008. Truly there is nothing new under the sun or in the *Times*.

Schweikart has given us a powerful reminder, though, that there are many things both known and unsuspected which bring us to the present day. "I think it is clear," he says, "that it is not always the declaration of war, inspirational speech, famous piece of legislation, or other well-known event we learned about in history class that has had the most long-lasting impact on our lives." CJ



BOOKS AUTHORED BY JLF STAFFERS



By John Hood
President of the
John Locke Foundation

Selling the Dream Why Advertising is Good Business



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

Choice
April 2006

www.praeger.com

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

COMMENTARY

Exercise Your Rights

Last month I highlighted five reasons the upcoming election is important: more than 120 years of one-party rule; wasteful federal stimulus spending; corporate welfare; corruption; and nanny-state government. If you aren't motivated to vote in this election, let me offer five more reasons this election may be the most important of our lifetimes.

- **Jobs:** The economy is in the tank; businesses are closing or laying off workers, doing whatever they can to hang on. Recovery is tenuous, the impact of ObamaCare even worse than anticipated, and the impact of repeated government interference in the marketplace has left so much uncertainty that businesses with money are afraid to spend it.

- **Redistricting:** This once-a-decade exercise in guaranteeing one man, one vote will determine how maps for North Carolina's 13 congressional seats, 50 state Senate seats, and 120 state House seats are drawn. The party in charge will draw the maps with some direction from the federal and state courts. In the past, we've seen gerrymandering, preferential treatment for favored legislators, and horse trading to benefit the majority party and minority party incumbents. A fair map would allow voters to pick their elected officials, not the other way around.

- **Property rights:** Government infringes on our natural right to enjoy the fruits of our labor. High taxes take more of our income. North Carolina is one of a handful of states allowing municipalities to annex property owners against their will and without a vote. Protection against government land grabs under eminent domain is not guaranteed by our state constitution. The past two governors have led an effort to deny Alcoa's license to operate hydroelectric plants they built and own. Slope ordinances in the west mandate how landowners can use their property, down to the

color they can paint their houses. Think you're not affected? As long as the government can violate one person's property rights, no one in North Carolina is safe.

- **State budget:** Bigger government costs more money and infringes on more rights and freedoms. Government has expanded during good times, doing more stuff for more people and raising taxes to pay for the growth during slow times. Once programs are in place, politicians take more of our money to sustain them. The decades-long spend-and-tax cycle is unsustainable. We're broke and looking at

a \$3 billion shortfall (or more) in next year's budget. Talk of budget reform should not be looking for more money but focusing on how to cut spending.

- **Debt:** The fiscal freefall is not limited to spending. It also includes massive debt. The state is over \$6 billion in debt, most of it not approved by voters. The pension fund continues to decline, and the State Health Plan is grossly underfunded, needing \$4 billion to become solvent. The state's sav-

ings accounts all have been drained. The state treasurer says we can't borrow any more — the tills are empty. We're broke.

The party's over. It's time for fiscal responsibility,

common sense, restraint, and leaders with a backbone. Fundamental reform in state government begins with a comprehensive review of every program, streamlining core functions, and getting rid of everything else.

How do we get there? It's simple. The answer is in our Constitution. It's the right to vote. That right also is a responsibility if we hope to preserve our freedoms. Early voting kicks off Oct. 14 with Election Day Nov. 2. If you are concerned about the direction of government in North Carolina, exercise your right to rebel: Vote. CJ

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



BECKI GRAY

The Constitution gives us the right to vote; we need to use it



EDITORIAL

Reuben Young's Sgt. Schultz Routine

Reuben Young, former Gov. Mike Easley's chief legal counsel, swore he knew nothing — nothing! — about either the governor's private e-mail account or an order for staff to delete e-mails sent to and from that address. Nor did Young pay attention to who was sending and receiving e-mails when he reviewed their messages as part of open-records requests.

"I looked at the documents, one, to determine whether they were responsive to the request, and number two, whether they were a public document," he said. "I did not look at them to determine where they came from."

Young — who's now Gov. Bev Perdue's secretary of Crime Control and Public Safety — made this remarkable admission in sworn testimony. He was being deposed for a public-records lawsuit filed by the John Locke Foundation and several state media organizations.

His spotty memory and parsimonious review procedures are, at a minimum, suspicious. The e-mails sought from Easley and his staffers would have concerned a host of issues that an in-house attorney would want to know about. Among them: flights and other travel the former governor got for free or at discounted rates from campaign donors; the \$137,000 cash discount Easley received on a lot at the coastal Cannonsgate resort on Bogue Sound; and the do-nothing job at a six-figure salary Easley's wife Mary secured at N.C. State University.

The State Board of Elections was plenty interested in Easley's flights. The board fined his campaign committee \$100,000 and issued a criminal

referral to state prosecutors, suggesting that Easley had broken the law while in office. Federal investigators reportedly are looking into these matters as well.

To be sure, Young might not have known about Easley's private account, because — as an earlier deposition from Easley Press Secretary Renee Hoffman revealed — Communications Director Sherri Johnson had ordered other press officers to delete any e-mails from the governor's personal e-mail address.

Those messages could have been destroyed before Young had a chance to see them. Deleting those documents — or ordering their deletion — would have violated the state's open-records law.

But it's ridiculous to assume that Young looked only "at the body of the [e-mail] document to see if it was responsive to the request," as he testified. How could Young, who said he had reviewed public records requests from the beginning of Easley's first term as governor, not be curious about who was sending and receiving the messages? Without verifying who was involved, Young would have had no way of determining whether he was reading private correspondence — which is not subject to an open records request — or public business, which is.

Young's memory failed him on more than 30 occasions during the nearly two-hour deposition. On second thought, perhaps Young wasn't channeling the hapless, fictional Sgt. Schultz after all. Instead, his role model may have been today's U.S. military: Don't ask, don't tell. CJ

EDITORIALS

Lobbyists & Bailouts

Perdue and Democrats cater to lobbies

When politicians make promises that would give you all sorts of valuable goodies and make someone else pay for those goodies, disbelieve them.

Especially disbelieve them if they try to claim that North Carolinians won't have to pay for the goodies because the "federal government" will.

The federal government has no money that it does not first tax from us, either directly through tax levies or by inflating the money supply.

When Gov. Beverly Perdue and the Democratic leaders of the General Assembly took credit for plugging billions of dollars in state budget deficits with "federal dollars," what they really were celebrating was their clever evasion of the North Carolina Constitution.

Our state constitution requires that our budget be balanced every year. It forbids the use of borrowed money to pay for operating expenses. Because the U.S. Constitution has no such provision, the federal government has run deficits in most of the past 70 years. Recently, the deficits have exceeded \$1 trillion a year.

In effect, all of the federal money used to plug North Carolina's budget hole was borrowed. That's unwise and, at best, extraconstitutional. But the story gets even worse.

By using borrowed money to

sustain levels of state spending that current state taxes can't sustain, Perdue and legislative leaders have set the stage for future tax increases.

By protecting billions of dollars in waste, fraud, and ineffective programs, they strengthened the special-interest constituency that benefits from these programs.

Those lobbies will be back in 2011 and beyond to protect their programs from cuts. History suggests that, more often than not, these spending lobbies will succeed.

Some argue that, in theory, Washington can help smooth out the effects of economic cycles by borrowing to support government expenditures during recessions and then paying off the debts and reducing the expenditures during economic booms.

Even if this policy were justified, it relies on an unrealistic assumption — that after the recession is over, politicians will adjust government debts and budgets accordingly.

In reality, government programs persist as long as their political constituencies retain power.

That's precisely what public-sector unions, vendors, activist groups, and other spending lobbies wanted. They are big fans of federal bailouts.

That's a good reason why the rest of us shouldn't be. *CJ*

No surprise

ObamaCare increases health care costs

Advocates of expanding government health insurance — as ObamaCare has done — have argued that a major source of health care inflation was an increasing number of uninsured Americans going to emergency rooms rather than getting medical services from lower-cost providers.

If Medicaid or some other government program were expanded to insure these Americans, advocates said, costs would go down because they'd receive less-expensive care in doctors' offices rather than at the ER.

The claim may have sounded plausible. But it never was consistent with reality.

In the first place, uncompensated care in hospitals — not just in ERs but across all hospital services — has never accounted for a significant percentage of U.S. spending on health care. In most years, the share is between 3 percent and 4 percent.

A new study in the *Journal of the American Medical Association*, by a researcher at the University of California at San Francisco, underlines a fact even more inconvenient for ObamaCare supporters. Not only are insured patients the majority in emergency rooms, but patients insured under Medicaid also are twice as likely to use ERs as the uninsured are.

In North Carolina, 24 percent of ER patients are on Medicaid, far higher than the 14 percent of North Carolinians who are enrolled in the program, according to the study.

The main way ObamaCare was expected to reduce the ranks of the uninsured was by enrolling them in Medicaid. As a result, hundreds of thousands of North Carolinians will join the Medicaid rolls in the coming years.

Far from reducing ER use, ObamaCare likely will increase it, driving medical costs even higher. *CJ*

COMMENTARY

Bad News on The Jobless Front

I am, by nature, an optimistic fellow.

Despite North Carolina's summer dry spell, for example, I haven't given up on my lawn. I still get out the mower each weekend, check the gas and oil, crank up an audiobook, and spend exactly five minutes trimming the patch of crabgrass that is the only green and growing part of my front yard.

And as a kid, I rooted for the Cincinnati Bengals, usually to no avail.

So I don't approach the subject of North Carolina's economic woes with apathy or pessimism. I want my home state to prosper. I want to see signs that our business climate is improving markedly, and that our policymakers have set the stage for a strong recovery from the worst recession in decades.

But so far, the data don't bear out such optimism.

You might have read something different when the latest unemployment numbers came out. For the month of August, North Carolina posted a 9.7 percent jobless rate — well below the 11 percent level we saw earlier this year. The state's jobless rate is now close to the national average, after having compared unfavorably to the rest of the nation for two years.

Is the recent decline in North Carolina's rate a sign that we're finally closing the gap? Unfortunately, no.

There has been some hiring in some months, though most of it has been in government jobs. What's really going on, however, is that an increasing number of North Carolinians are dropping out of the labor force.

The unemployment rate is the result of dividing the number of jobless people actively looking for work by the number of people in the civilian labor force. Two different trends will drive that rate down — more people finding jobs and more people ending their search for jobs.

In reality, there has been no net job growth in North Carolina since March. The number of North Carolinians classified as

unemployed has dropped by about 70,000, but so has the number of people in the work force.

Other states have posted increases in their unemployment rates over the summer. In many cases, that's because some previously discouraged workers have re-entered the labor market to look for jobs.

It sounds paradoxical, but it's true: We'll know that a recovery is truly picking up steam in North Carolina when some of our discouraged workers restart their job search, driving up the jobless rate in the short term.

At the beginning of 2008, there were about 4.3 million workers employed in North Carolina, out of a labor force of nearly 4.6 million. Our jobless rate was just under 5 percent.

Then the recession hit. North Carolina got hit earlier than most states, and the consequences were worse than average here. Since the beginning of 2008, employment has dropped by about 275,000. The labor force has shrunk, too. It will likely take years for North Carolina to erase these losses.

Even so, I remain hopeful that North Carolina can restore its economic competitiveness.

We won't get there through happy talk and wishful thinking, however. There is hard work to do and difficult decisions to make. North Carolina's assets include a strong work ethic, a pleasant quality of life, recent improvements in our physical-capital stock, and a right-to-work law that keeps labor unions from forcing wages above the productivity of labor.

Our liabilities include mediocre educational attainment and higher marginal tax rates and regulatory burdens than most of our competitors.

To get back into the game, North Carolina policymakers will need to refocus government on its core responsibilities and reduce its cost. I remain optimistic that the job can be done, if they have the will. *CJ*



JOHN HOOD

John Hood is president of the John Locke Foundation and publisher of CarolinaJournal.com.

EDITORIAL BRIEFS

The Parent Model

Earlier this year, German and American officials clashed over how much economic stimulus was appropriate to help revive their economies. The Germans preferred limited additional spending, while U.S. officials pushed for heavy amounts of stimulus. This created a natural experiment about the effectiveness of stimulus programs, notes *New York Times* columnist David Brooks.

The very early results indicate that the Germans got it right, as their economy is growing at a 9 percent annual rate, while the U.S. economy remains stuck in neutral.

"But the results do underline one essential truth: Stimulus size is not the key factor in determining how quickly a country emerges from recession," says Brooks.

"The U.S. tried big, but is emerging slowly. The Germans tried small, and are recovering nicely."

Managing economies isn't like playing the piano, where pressing a certain fiscal key automatically produces a job creation note. Instead, argues Brooks, economic policy is more like parenting, in which it's critical to instill the proper values and create the proper environment, and things will usually turn out all right in the end.

"The crucial issue is getting the fundamentals right. The Germans are doing better because during the past decade, they took care of their fundamentals and the Americans didn't."

The U.S. system has certain advantages, such as naturally fostering innovation, but also tends toward overconsumption and short-term thinking, he added. Too many of the "solutions" to Americans problems in recent years have simply made the problem worse, by relying heavily on short-term fixes, such as encouraging more borrowing and higher consumption.

Wind energy

In recent years 30 states, including North Carolina, issued mandates requiring a certain percentage of energy to come from renewable sources. Such requirements won't lead to major reductions in carbon emissions, writes Robert Bryce in *The Wall Street Journal*.

Wind energy is the only renewable source that readily can be scaled up in response to these mandates. It isn't a viable solution, however, for two reasons.

"First, wind blows only intermittently and variably," says Bryce.

"Second, wind-generated electricity largely displaces power produced by natural gas-fired generators, rather than that from plants burning more carbon-intensive coal."

Because the wind does not blow at a consistent, steady rate, utilities need to have backup capacity available. Conventional gas- or coal-fired plants frequently would have to ramp up and down their energy production. This is inefficient, just as being stuck in stop-and-go traffic results in lower fuel economy for automobiles. CJ



Efficiency vs. Equity

I'm going to venture into a thicket of controversy in this column. The size of government, and its impact on the economy and on our broader society, is a red-hot topic, and it's easy to understand why. Government — especially the federal government — has increased its involvement in the economy significantly in recent years.

First came the trillions of dollars — much of it borrowed — spent by the government in fighting the recession. This has increased both the annual budget deficit and long-term debt.

Second came two large pieces of legislation — one focusing on health care and the other on financial services — which will result in the federal government taking much larger roles in two major sectors of the economy.

Yet with the economy still struggling and unemployment uncomfortably high, there's a rising chorus of voices saying the growing size of government, rather than helping the economy, may have become a hindrance.

So there's a new debate about the size of government and its role in the economy. On one side are those who say only the actions of government saved us from a depression that may have exceeded the downturn of the 1930s. This viewpoint also says a more active government is needed today to address both the inequities and the complexities of the modern economy.

The opposing side says bigger government holds the economy back in two ways. First, it spends money ineffectively, using funds that could have been allocated more productively by the private sector. Second, by increasing taxes to support a larger government, private spending and private investments — which boost the economy — are deterred.

Rather than jumping into one camp or the other, let me try to bring some economic logic to this controversy.

The debate about government and its impact on the economy revolves around a "big trade-off," a term coined by the late economist Arthur Okun.



MICHAEL WALDEN

Okun argued the economic pie was best made bigger by private individuals and private companies pursuing their own self-interests. This leads to resources being used most efficiently, meaning the economy gets its biggest "bang for the buck" spent. This is the essence of the free-market system.

But everyone may not like how the economic pie is divided by this system, and the pie may have some rough edges. Hence, we may want another force — government — to change some of the slices and to smooth off some of the edges. Government does this by redistributing some income and by establishing some regulations over what individuals and businesses can do.

In Okun's words, therefore, there are two goals for the economy — efficiency, meaning growing the economic pie so living standards can rise — and equity, relating to some "fair" distribution of the slices of the pie. Every society debates how much attention to give to each goal.

Okun, however, saw a problem in pursuing both objectives. To get more equity, the economy would have to sacrifice some efficiency. In other words, to slice the pie more equally, the pie won't be as big. This is Okun's "big trade-off."

There's empirical evidence backing Okun's claim. A just published book exhaustively analyzed scores of studies relating the size of government to economic growth. The conclusion: Countries with larger governments do grow more slowly. Numerically, the relationship is approximately a decline of 0.5 to 1 percentage point in the rate of economic growth for every 10 percent increase in the relative size of government.

So the argument can be made that if the government had refrained from intervening in the economy during the recession, the necessary adjustments to production and prices would have occurred faster and the economy would now be growing at a more rapid pace. Likewise, it can be argued that the health care and financial services legislation may slow future economic growth.

If accurate, the larger question still remains — is the loss in economic growth worth it? This is the "big question" of the "big trade-off." CJ

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

Untangling the Strings of the Puppet Masters

I recently came across two very similar articles. The Aug. 30 *New Yorker* published an interesting piece by Jane Mayer on the Koch brothers, Charles and David. A few days later, having missed it originally, I picked out of the recycling Steve Ford's opinion piece about Art Pope in *The News & Observer*.

The subjects of the two essays were different, but the message was the same: Today's conservative politics are directed tightly, from a position of obscurity, by individuals like the Kochs and Pope. What we see is their "puppet show."

This is an argument popular on the left. No rational person could have right-of-center political ideas without being paid to acquire them. Conservatives are manipulated to deliver policy outcomes from which their masters will profit personally. Many are "wing nuts," individuals naturally missing a few brain cells who are shepherded into following a political message. Liberals, on the other hand, draw their views independently from real-world experiences and observations.

This is, of course, all quite untrue. First, for the Kochs and Papes of this country to be choreographing matters, there needs to be a conservative movement willing to be led. This

doesn't seem to be the case. Obama did very well among those with a postgraduate education in 2008, but his greatest support came from those who did not have a high school education, with his lowest support by Americans with a college degree. If there are uneducated sheep among the populace, they can be found on the left, not the right.

What's more, the movement's heterogeneity defies control. Americans who consider themselves conservative spend as much time arguing with each other as they do taking on liberals. There are social conservatives, libertarians, and traditional conservatives — those who believe politics should resemble the word's dictionary definition. Conservatives have conflicting views on issues like immigration and trade — free markets for labor and goods versus the need to protect American culture.

On others, their views vary from intense to insouciant — many who fret about the size of government care little whether same-sex marriage is legalized, for instance. If this is organized political action, whoever's in charge should be fired.

Second, that the puppeteers are focused on their personal economic self-interest is flimsy reasoning. The Kochs have given hundreds of millions of dollars to the arts and for medical research. The John W. Pope Foundation, of which Pope is president, gives hundreds of thousands of dollars each year to local charities and educational institutions.

What's more, their contributions

to political causes hardly provide a lucrative return for these individuals personally.

To be sure, the groups they fund push for policy outcomes consistent with their economic interests. But, if successful, the Kochs and Pope are paying for millions of other people's tax cuts or subsidies. At least they're employing people and contributing to public life. The real villains by this logic are the rich who free-ride on these efforts. All in all, if I were one of the Kochs' financial advisers, I wouldn't recommend giving to groups like Americans for Prosperity. You won't see that money again.

The current Wake County schools imbroglio provides a nice illustration of this point. White, middle-class, inside-the-Beltline residents who take the pro-diversity position are cast as altruistic, even though their kids currently have fewer poor and black colleagues in their classrooms than they would under the proposed neighborhood schools approach. The campaign contributions to the new board majority by Bob Luddy, the founder of the private Thales Academy, are considered self-interested even though polling shows a much greater proportion of residents who have kids in Wake County public schools oppose the diversity policy than those who do not. If Luddy wanted to drive public schools out of business, he should donate to the pro-diversity cause.

It is not as though the ideas funded by the Kochs and Pope are out of the mainstream, either. About one-third of Americans consider them-

selves conservative. Nor do their contributions disrupt the "natural order" of politics. The \$100 million the Kochs are estimated to have invested over the past 30 years pales in comparison to the \$3.5 billion spent from all sources on the 2008 election. Roughly the same amount was spent on federal lobbying in 2009 alone.

Indeed, the Kochs and Papes of the world are participating in a political process where competing interests have entrenched and advantageous positions. Much of this country's political class, particularly in the media and academia, has left-of-center views.

Journalists and professors, who are unelected, are situated uniquely to exert considerable influence on public debate and ultimately policy outcomes. I found it interesting that Ford laments Pope's disproportionate influence as he pontificates from a perch as the editorial page editor of a newspaper with a circulation of about 180,000.

But why should you listen to me? I know Art Pope and co-direct a program at N.C. State University that is funded by the Pope Foundation. I do not know the Kochs, but I'm currently applying for a small grant from their foundation.

I can't think independently. I'm just a puppet on a string. CJ

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ANDY TAYLOR

No to the Ground Zero Mosque

Much debate and controversy have ensued around the proposed mosque near the site of ground zero.

Passions, tempers, and protests have flared up, and the usual suspects and talking heads all have pontificated and given the public their views on the issue.

Also weighing in have been President Barack Obama, New York City Mayor Michael Bloomberg, New York Gov. David Paterson, Donald Trump, and many other national figures.

Before moving forward, I think it needs to be said that the United States is the most religiously tolerant nation on earth. Not many rational souls would argue with that.

America cherishes freedom of

religion, and we welcome all faiths and creeds.

But in my view, this isn't a question about religious tolerance.

No one questions the constitutional right of the imam and his followers to build the mosque at that particular site.

But let's be clear: Simply because you have the right to do something doesn't mean it is the right thing to do.

Thus, I think the campaign to build the mosque is more about being provocative. It's also about symbolism.

Let us not forget that on Sept. 11, 2001, our nation was attacked viciously by radical Islamic extremists, and almost 3,000 innocent people lost their lives.

Now, fast-forward to the present — nine years after that attack — the worst terrorist attack on American soil in our history.

A radical imam wants to construct this 13-story, \$100 million super mosque and Islamic center and build

it 600 feet from "ground zero."

Sometimes lost in the tolerance debate are the families of the victims of 9/11.

Many of those families were understandably stunned as they consider ground zero sacred ground.

Imagine the outrage of Americans if the Japanese government had tried to put a shrine dedicated to the emperor in Pearl Harbor next to the USS Arizona. It never would have been allowed.

It is also worth exploring the thoughts, intentions, and past statements of Imam Feisal Abdul Rauf — the driving force behind the mosque at ground zero.

Immediately after 9/11, Rauf condemned the United States for being an "accessory" to the attacks. More recently, he would not condemn Hamas as terrorist organization.

Imam Rauf also has been quoted as saying;

"We tend to forget, in the West, that the United States has more Muslim blood on its hands than al-Qaida

has on its hands of innocent non-Muslims. You may remember that the U.S.-led sanctions against Iraq led to the death of over half a million Iraqi children. This has been documented by the United Nations."

I believe most Americans would take an exception to the aforementioned statements by Rauf.

As I previously mentioned, this is not about religious tolerance. It's about doing the right thing and being respectful to families who lost loved ones on that tragic day of Sept. 11.

The radical Islamists understand symbolism. This mosque sends the wrong message to terrorists. And, therefore, this mosque should not be built. CJ

Marc Rotterman worked on the national campaign of Reagan for President in 1980, served on the presidential transition team in 1980, worked in the Reagan administration from 1981-84, is a senior fellow at the John Locke Foundation, and is a former member of the board of the American Conservative Union.



MARC ROTTERMAN

Plan Puts 'Server Farm' Products in Farmers Market (a CJ parody)

BY HANK KIMBALL
Agriculture Correspondent

RALEIGH

The Perdue administration unveiled a program linking the state's farmers markets with its server farms. Under the initiative, computer servers produced at the facilities operated by Apple Computer in Caldwell County and Google in Catawba County would ship servers directly to farmers markets, allowing members of the public to purchase them directly rather than from brick-and-mortar merchants.

The program was launched at the state-owned Raleigh Farmers Market by Secretary of Commerce Keith Crisco and Agriculture Commissioner Steve Troxler.

"North Carolina has invested millions of dollars in tax incentives to make sure that we have the best climate for server production in the Southeast," Crisco said. "And there's no reason the people of North Carolina should not benefit directly from our fresh, farm-raised servers."

Troxler said he had not actually been to the facilities, but that the Department of Agriculture was delighted to provide an outlet for the servers at state farmers markets.

"If they didn't want me involved



A basket of servers from North Carolina server farms entices shoppers at the N.C. Farmers Market (CJ spoof photo)

with [the program], they shouldn't have called it a farm," he said.

Troxler also suggested that if sales at the farmers markets are successful, the Department of Agriculture would consider opening a booth at the North Carolina State Fair.

The magnitude of the tax incentives offered to the server farms has generated criticism. If the facilities operate for 30 years, each company stands to get significant tax breaks:

Apple could qualify for \$300 million in tax savings; Google could receive a \$260 million break.

Even with such large write-offs, the farms would employ few North Carolinians. Apple predicts it will hire 250 people; Google projects roughly 210 workers.

Crisco says the critics do not understand 21st-century agriculture. "It's mechanized," he said. "Decades ago, you needed dozens of farmhands to

harvest tobacco or pick cotton. These days, a few people with the right skills and a well-trained eye can do the work of hundreds."

Crisco also announced a partnership between the state, the computer makers, and Cree Inc. Cree, a manufacturer of LED lighting that has received millions of dollars in state incentives, said it would produce special LED grow lights for the server farms to extend the growing season at the facilities.

Silicon Valley-based technology reporter Eustace Haney told *Carolina Journal* he was baffled by the farmers market promotion and the deal with Cree.

"Server farms are data centers — they link a large number of individual processing units to perform massive calculations or back up a company's data off site," Haney said. "They're not supposed to build servers for the public. They're more like mainframe computers. And you don't grow any kind of vegetable material there."

When contacted by *CJ* for comment about the farmers market program, Eric Schmidt, Google's chairman and chief executive officer, said, "You're kidding, right?" *CJ*

E.A. MORRIS

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The E.A. Morris Fellowship is seeking principled, energetic applicants for the 2011 Fellowship class. Applications available online or at the John Locke Foundation. Application deadline is December 31, 2010. Please visit the E.A. Morris Fellowship Web site (www.EAMorrisFellows.org) for more information, including eligibility, program overview and application materials.

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December 31, 2010: Applications due
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www.EAMorrisFellows.org
Contact Ashley E. Sherrill | asherrill@eamorrisfellows.org