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Will Persistent Scandals Affect N.C. Elections?

Opinions diverge on whether voters will be influenced

By PAUL CHESSE
Associate Editor
and DON CARRINGTON
Executive Editor

RALEIGH

Less than two months remain before the elections in November, and while Republicans nationally worry how scandals and spending could lessen their prospects for maintaining power in Congress, in North Carolina it's the reverse — Democrats fear that corruption might be their undoing.



House Speaker Jim Black testifying at Board of Elections hearing (CJ photo)

In the nation's few — because of gerrymandering — closely contested congressional races, Democrats are focusing on scandals surrounding former lobbyist Jack Abramoff and former Rep. Randy "Duke" Cunningham of California. Also, GOP leaders have been criticized for pork-barrel spending, a charge that has been extended to President Bush because of his failure to veto any congressional spending measures.

Congressional races in North Carolina include the 11th District, featuring Republican Rep. Charles Taylor vs. Democrat challenger Heath Shuler.



Meredith Norris (left) leaves Wake County Courthouse after pleading no contest to charges she did not register as a lobbyist. (CJ photo by Don Carrington)

But Democrats in Raleigh have held power since 1999, except for 2003 and 2004, when Republican Rep. Richard Morgan of Moore County shared in the House speaker's role with Mecklenburg County's Rep. Jim Black, a Democrat who won his first term as speaker in 1999.

The Democratic hold on the reins of power includes Dare County Sen. Marc Basnight, who became President Pro Tempore of the Senate in 1993. A Democrat has held the governorship since 1993, first Jim Hunt (until 2001) and now Mike Easley.

Under this single-party dominance, a legislative process of secretive deal making blossomed. Black and Basnight cultivated political backing for projects in their own districts, and secondarily in those from where their supportive colleagues hailed.

The General Assembly's leaders

Former Conn. Governor To Discuss Ethical Lapses

By DON CARRINGTON
Executive Editor

RALEIGH

Former Connecticut Gov. John Rowland, once considered a rising star in the Republican Party until scandal brought down his administration and sent him to prison, will discuss his ethical lapses and downfall Oct. 3 in Raleigh at a John Locke Foundation Headliner luncheon.



Former Conn. Gov. John Rowland

In January 1995, Rowland became the state's youngest governor ever, with aspirations to return to Washington for higher office after developing ties in the city as a member of the House from 1985 to 1991. After his landslide re-election as governor, some said his future might include a path to the White House.

In 1997, Rowland purchased a lakeside cottage in Litchfield County. Rowland allowed major state contractors and gubernatorial aides to foot the bill for a new \$14,000 kitchen and a \$3,600 hot tub, the *Washington Post* reported in June 2004. Rowland received cigars, champagne, a vintage Ford Mustang convertible, a canoe, and free or discounted vacations—valued at more than \$100,000—from employees and friends, including some with state contracts.

With a federal investigation and a rapidly gathering drive to impeach him from the state legislature, Rowland announced his resignation June 21, 2004. On Dec. 23, 2004 Rowland pleaded guilty in U.S. District Court to a conspiracy to commit honest services mail fraud and tax fraud. He was sentenced to 12 months and one day of imprisonment, followed by three years of supervised release.

Rowland was released from the Loretto Federal Correctional Institution in Pennsylvania in February 2006. CJ

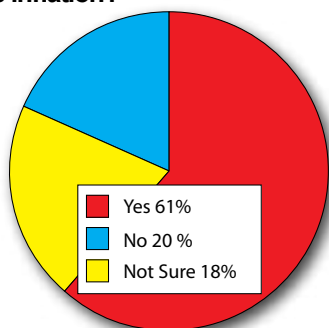
drew massive contributions from lobbyists and business and political leaders. Legislative influence penetrated various state agencies, both large and small, in order to achieve the goals of Black, Basnight, and their supporters.

With no opponent in a position of authority to challenge decisions or

actions, Democrats, and a few Republicans recently who aligned with them, over the years built a machine that was seemingly invincible. But now federal

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Should future state spending increases be limited to population growth plus inflation?



John William Pope Civitas Institute Poll, August 2006

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Will Season of Scandals Affect 2006 Elections?

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law enforcement, media scrutiny, a new Republican state auditor, and a few renegade Democrats have unveiled fissures in the party leadership's armor. Will the tide of Democrats' unethical behavior in state government overcome the national political trend running against Republicans?

"The question is whether the voters are going to connect their incumbent Democrat legislator with Jim Black," said Bill Peaslee, chief of staff for the N.C. Republican Party. "He doesn't stay in power without these incumbent Democrats."

The big focus: Black

This year most attention on misconduct in public office has focused on Black. A federal investigation into his campaign fund-raising, his connections to lobbyists, and his efforts to hold on to the speaker position in 2002 and 2003, have already led to admissions of guilt.

Former Rep. Michael Decker Sr. of Forsyth County pleaded guilty Aug. 1 in federal court to crimes associated with efforts to elect Black to another term as speaker in 2003. After the results of the November 2002 general election left the House with 61 Republicans and 59 Democrats, Decker, then a Republican, solicited and agreed to accept \$50,000 and other gifts in return for switching parties and supporting Black for speaker.

In January 2003, Decker announced he had changed his registration to Democrat. Later in 2003, Decker accepted an envelope containing \$38,000 in checks and \$12,000 in cash in return for his deal with Black. Also, in February 2005, Black gave a \$4,000 campaign contribution to Decker, who then a day after depositing it closed his account and kept the money for his personal use.

Decker pleaded guilty to a charge of conspiracy to commit extortion, honest services mail fraud, and money laundering. Black has denied that he made any quid pro quo offer to Decker in exchange for his vote.

In addition, the State Board of Elections conducted public hearings in February and March in response to a complaint filed by campaign watchdog Democracy North Carolina, which alleged illegal activity by contributors to Black's political campaigns. The complaint was over contributions by people who had ties to the video poker industry.

After the complaint was filed, an investigation by the board's staff also revealed that several donations to Black by optometrists and their political action committee appeared to violate campaign finance laws. Since the hearings, similar allegations have been made against Black in his relations with other busi-



Former Rep. Michael Decker Sr., pursued by reporters and cameramen, leaves the federal courthouse in Raleigh after pleading guilty Aug. 1. (CJ file photo by Don Carrington)

nesses, including chiropractors, payday lenders, strip-club owners, and landfill operators.

Black's attempts to help the industries have been questioned. He inserted into the 2005 budget bill a law that required all children entering kindergarten to get comprehensive eye exams. Black himself is an optometrist. He also included in the budget a provision that makes health insurance companies require the same co-payment from chiropractors as they do from physicians.

The State Board of Elections, backed by a Superior Court judge, has determined that Black must give up \$6,800 that came from optometrists because their contributions exceeded legal limits. The board also referred its findings to Wake County District Attorney Colon Willoughby to determine whether crimes were committed. Federal investigators are still looking into Black's fund-raising practices, while journalists and political pundits speculate about whether and when he will be indicted.

Black: Employment specialist

Black has taken a special interest in enhancing the career of Meredith Norris, who has worked for him in various roles, after beginning as one of his legislative staffers in 1999. In September 2002, after less than three years on the job, her pay more than doubled from \$26,000 annually to more than \$59,000.

Shortly afterward he helped her get a lobbying job for the Charlotte Chamber of Commerce. Within months she left that position and lobbied independently, and Black helped her get clients — such as the N.C. Partnership for Economic Development, a coalition of the state's seven regional economic development agencies. Meanwhile, Norris performed campaign work for Black and also continued to use a laptop computer that belonged to his legislative office while advancing her lobbying career.

Norris also lobbied for lottery op-

erator Scientific Games, in an effort to get the legislature to approve the games. The lottery finally passed in 2005 under a cloud of controversy, in part because Norris failed to register with the Secretary of State as a lobbyist for Scientific Games. She pleaded no contest in August for working as an unregistered lobbyist. She was sentenced to one year of unsupervised probation, a \$500 fine, and 75 hours of community service.

Black also took special interest in several other associates' employment and appointments, including:

- His legislative staff, upon whom in May 2005 he bestowed healthy raises despite the state's budget difficulties, which kept raises for other state employees to a minimum.
- Michael Decker Jr. for whom Black promised a job as an assistant to his father as part of his deal with the elder Decker.
- The elder Decker, who lost his re-election effort in 2004 after returning to the Republican Party. Black got him a \$45,000-a-year job in the Department of Cultural Resources.

- Helen Ruth Almond, wife of former Charlotte Regional Partnership President Michael Almond, who helped get Norris her job and lobbying contract with the NCPED. Mrs. Almond was given a heritage tourism officer position in western North Carolina. Mr. Almond is also one of Black's appointees to the board of directors of Golden LEAF, which distributes half of the state's share of the 1998 tobacco settlement agreement. The Almonds have given Black \$6,500 in political contributions since 2002.

- Kevin Geddings, whom Black appointed to the N.C. Lottery Commission. However, Geddings failed to disclose that he also was a paid lobbyist (also without registering with the state) for Scientific Games before the lottery's passage. A federal grand jury indicted

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Geddings in May for failure to deliver honest services. His trial was expected to start in September.

Black revealed, though, that he was also capable of punishing those who disagreed with him on policy issues, as he did in May 2005 with UNC-Charlotte economics professor John Connaughton. Department of Commerce officials wanted to hire Connaughton for \$50,000 to study the economic effects of the automotive supply industry in the state. But since the professor had criticized North Carolina's marginal tax rates as uncompetitive, Norris (with Black's blessing) prevented the department's contract from going to Connaughton.

Black in 2000 also backed a reduction in the number of state pest control inspection positions (within the Department of Agriculture). Department officials, according to a report in *The News & Observer*, believed the move was a response to the Structural Pest Control Committee's fining of Black Pest Control, owned by the speaker's son Jon, for improper pesticide use. Black denied the allegation.

Black's pet projects

The speaker also has used his position to leverage state funding for his favored projects, which in turn have also persuaded businessmen to move to the state, sometimes without a written guarantee, as in the case of culinary arts school Johnson & Wales University.

In June 2002, Johnson & Wales and Charlotte officials announced a new \$82 million school for downtown Charlotte to be subsidized by local tax dollars and private funds, but they made no mention of any subsidies from the state. But in November that year, *The Charlotte Observer* reported that the state was contributing \$10 million to help lure Johnson & Wales to the city.

In a series of stories *The Observer* revealed that before the announcement by Basnight in June, Black and Easley wrote letters indicating their support for the project and their commitment to secure \$10 million. Black's promise was perhaps the strongest. "You have my personal commitment of support for a \$10 million investment over the next five years by the State of North Carolina for this project," Black wrote in a letter May 23, 2002, to University President John A. Yena. Basnight made a similar promise.

In an interview, Black's then-spokesman Danny Lineberry told *Carolina Journal* that Black intended only to try to find the money. When asked where it would come from, he said, "Wherever they can find it. It may not come from anywhere. The speaker made a commitment to try to get it."

Approval of the state budget in June 2003 marked the beginning of the



Hundreds of thousands of dollars from House Speaker Jim Black and Senate President Pro Tem Marc Basnight's DOT discretionary funds were used for a project called "Streetscape" to improve an area of downtown Elizabeth City (above) where Democratic Rep. Bill Owens owns buildings valued at nearly \$5 million. (CJ file photo by Don Carrington)

fulfillment of Black's \$10 million promise. The budget appropriated \$1 million in 2003-04 and an additional \$1 million in 2004-05 from the One North Carolina Fund to Johnson & Wales.

In 2005 Black wanted to complete his commitment by selling a state-owned building in Charlotte. The building, valued at \$5.25 million by a private developer, was to be sold to Johnson & Wales for \$1. Easley and the Council of State, after a brief public spat with Black on the issue, chose to take the higher offer.

Black, as with jobs and political favors, also helped with pork-barrel projects for people who helped him. In June 2005, supporters of a teapot museum proposed for Sparta, N.C., gave Black \$10,000 in campaign contributions. In the budget passed months later, legislators earmarked \$400,000 for the museum. The museum was ridiculed across the nation as a blatant example of pork-barrel spending.

Legislative slush funds

Black, along with Basnight and former House Co-speaker Richard Morgan, a Moore County Republican, also funneled millions of dollars for more pork projects in 2003, through discretionary funds controlled by the three legislators.

Ten million dollars was divided among them and distributed through the Department of Transportation. Another \$14 million was split among the men and distributed through the Department of Health and Human Services, the Department of Cultural Resources, and the Office of State Budget and Management. The Assembly leaders used the funds to



Senate President Pro Tem Marc Basnight

award grants to projects in the districts of other lawmakers who supported them for their leadership roles.

Black used some of his discretionary money in Cultural Resources to fund the job he had created for the elder Decker.

In the case of the DOT funds, department Secretary Lyndo Tippet approved Spot Safety Program projects to fund projects favored by Black, Basnight, and Morgan. The contingency funds were sometimes used to pay for projects on the Spot Safety list, but many contingency fund expenditures appeared to have little or nothing to do with safety. For example, in July 2004 Tippet approved \$200,000 from the speaker's \$5 million account to restore a terminal building at Wilmington Airport for a welcome center. In March 2005 he approved \$50,000 from the speaker's account for the same project.

In July 2004, the DOT Board approved two contingency fund projects in Columbus County. State Sen. R. C. Soles, D-Columbus, requested \$150,000 to purchase and renovate a service station to provide a welcome center in Tabor City. Basnight approved the request, and the money was charged to Basnight's account.

At the same board meeting \$210,000 was approved to grade and pave a rural dead-end road in Columbus County. The request by Rep. Dewey Hill, D-Columbus, was approved by Black and deducted from Black's \$5 million account.

Meanwhile, one Spot Safety project in Columbus County that remained unfunded was the resurfacing and regrading of Slippery Log Road, which was estimated to cost \$250,000. DOT information on the proposed project stated that in the previous three years there were 18 total accidents, 11 of which were considered preventable by the proposed improvements. Three people were killed and 13 were injured in the

accidents. When asked why contingency funds were not applied to that project first, Hill said, "That's a good question. That's a terrible highway."

Black and Basnight also directed some of their discretionary funds to help one of their key allies, Democratic Rep. Bill Owens of Pasquotank County. Both legislative leaders approved hundreds of thousands of dollars for a project called "Streetscape" in downtown Elizabeth City, where Owens owns buildings valued up to \$5 million. Owens admitted that the street improvements increased the value of his property.

Basnight was entangled in a similar practice in 1997 with then-House Speaker Harold Brubaker, a Randolph County Republican, and with Gov. Jim Hunt. The trio at the time distributed \$23 million in discretionary funds to special projects favored by political friends and supporters, which was uncovered by *CJ*. Caught again in 2005, Basnight told the Associated Press, "It won't happen again. I admit I have erred."

One of Basnight's discretionary grants of \$140,000 in 1996 went to the John A. Hyman Memorial Youth Foundation, a nonprofit drug counseling organization created and led by former state Sen. (and U.S. Rep.) Frank Ballance, a Warrenton Democrat. Basnight testified before a grand jury in December 2004 about a scandal surrounding the Hyman Foundation, saying he didn't know about the state-funded foundation until news stories of its problems were reported in 2003.

Ballance is serving a four-year sentence in federal prison because of his personal use of state money, which he had obtained in grants for his nonprofit organization when he was a leader in the state Senate.

Despite Basnight's previous statement, he and Black continue to control discretionary funds in DOT.

Basnight's projects

One of Basnight's early efforts as Senate leader was a taxpayer-funded natural-gas pipeline project for eastern North Carolina, which he facilitated through legislation that he pushed and steered to the control of his friends. In 1998 voters approved, by 51 percent to 49 percent, \$200 million in bonds to extend natural-gas pipelines to 22 unserved counties in the state. The weight of Basnight's influence enabled political allies in northeastern North Carolina to control \$188.3 million of the available funds. But whichever natural-gas entity received the funds was required to repay the bond money should their project ever become economically feasible.

Political groundwork for the pipeline in the northeast was laid in 1995, when Basnight sought to get his own choices appointed to the seven-member

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Utilities Commission. Basnight succeeded in getting Hunt to appoint Bobby Owens, his brother-in-law, to the Utilities Commission in 1997, despite his lack of experience. "I have earned my right to the trough," Owens said.

Over time since the 1960s, the Utilities Commission had gradually awarded exclusive franchise rights for northeastern counties to North Carolina Natural Gas Inc. But the company did not provide natural gas to 17 of the counties because they lacked a sufficient number of potential, mainly industrial, customers.

Frustrated, Basnight and fellow lawmakers moved in the early 1990s to create financing incentives for local natural-gas companies to extend service into unserved areas. The legislature also passed "use it or lose it" legislation in 1995. The bill required all franchisees to provide natural gas to at least part of the unserved counties by July 1, 1998, or else they would lose their rights to the territories.

When the three-year time limit expired in 1998, the Utilities Commission determined that NCNG's franchise rights for the 17 counties should be revoked. Lawmakers in the summer of 1998 also approved the \$200 million bond referendum. Advocates thought the funds could make service to NCNG's formerly unserved territories more appealing.

Almost simultaneously in January 1998 a coalition of local governments in the northeast created a natural-gas district called the Albemarle Regional Energy Authority. The alliance, which subsequently became Albemarle Pamlico Economic Development Corporation, sought and gained control of the franchise rights and bond funds for their northeast gas pipeline project, which was strongly backed by Basnight. But without experience, expertise, or other financial backing to operate the gas business, AREA/APEC needed a business partner, and Carolina Power & Light (now Progress Energy) joined in. Together they created Eastern North Carolina Natural Gas.

But the Utilities Commission required ENCNG to separate its northeast operations from the rest of CP&L's business, exposing how vulnerable the ENCNG project was. Nearly all the \$188.3 million in bonds, plus \$22.5 million kicked in by Piedmont, was used to build the pipeline, leaving little to absorb years of expected operating losses. Taxpayers were on the hook for a long-term liability that no private company alone was willing to tackle.

In his pursuit to build ethanol plants in northeastern North Carolina, William Horton, president of DFI Group, said he unwittingly got on the wrong side of the person many call the most powerful politician in the state: Basnight.



Dolly Parton and her brother Randy Parton at the groundbreaking of the Parton Theater in Roanoke Rapids in November 2005. The theater was one of several projects of the North Carolina's Northeast Partnership headed by Rick Watson. (CJ file photo by Don Carrington)

Economic developers' enthusiasm over Horton's promise to bring jobs and a market for locally grown farm products was tempered by his deals with outsiders to deliver natural gas to his proposed plants in the northeast.

Horton attempted to work with other gas companies to deliver liquefied natural gas to the plants. Meanwhile, Basnight promoted friends at the Albemarle Pamlico Economic Development Corporation in their effort to get the \$200 million in taxpayer-funded bond money to build the gas pipeline in the east. Basnight considered Horton's project a threat to the senator's efforts to build the pipeline.

Northeast Partnership

Horton's project threatened the North Carolina's Northeast Partnership, one of the state's seven regional economic development agencies and one strongly influenced by Basnight. Partnership President Rick Watson led efforts by farming and business associates to manipulate a hostile takeover of Horton's ethanol business.

Through the Partnership, Watson often sought either a personal investment stake or other benefits from the businesses he had tried to help locate in northeastern North Carolina. State law prohibits public funding that benefits a government employee, or a private organization in which the employee is involved.

In 2001 and 2002, Watson, with support from Basnight's office, proposed that biotechnology company CropTech give ownership equity to the Partnership in exchange for helping the now-defunct business get financial incentives. The partnership would put up little, if any, of its own money in exchange for a significant ownership stake. CropTech

rejected the proposal.

In a series of articles in *The Daily Advance* of Elizabeth City in May 2003, officials of DataCraft Solutions alleged that Partnership representatives tried to get a 15 percent stake in their company in exchange for services from their side business. The DataCraft executives said they were told that Watson owned 50 percent of the side business and would "close deals" for DataCraft, which would have been an apparent violation of Watson's contract with the Partnership.

Last year *CJ* reported that Watson was an investor in a fingerprint technology company that received funding from the state's Tobacco Trust Fund, according to sources with direct knowledge of the project. Watson worked on obtaining the funds, again with help from Basnight's office, for Privaris Inc., despite his personal financial stake in the company.

This year Watson planned to work both for the Partnership and Moonlight Bandit Productions, a company led by country musician Randy Parton that is building an entertainment theater in Roanoke Rapids.

According to a report in *The Daily Advance*, Watson helped draft legislation that got \$500,000 in state money for the promotion of Parton's theater project. The newspaper said Watson planned to work for both the Partnership and Parton for 18 months, until he became fully employed by Parton.

The arrangement led to the undoing of Watson's relationship with the Partnership. In April, State Auditor Les Merritt released a scathing report on the activities of the Partnership, alleging that the organization's board of directors "relinquished too much authority" and insufficiently exercised "their fiduciary responsibilities." The audit found that Watson had a conflict of interest "by any reasonable person's definition" in working for the economic development agency while planning future employment with one of his clients, the Randy Parton Theater.

Bonuses, termed "significant" by the auditor, also were paid to Watson and other employees. The report said no predetermined, documented criteria served as a basis for the payments, which totaled \$572,000 over a three-year period.

A former economic developer in northeastern North Carolina told *CJ* in 2004 that the Partnership, if asked for help, all too often took over a project and decided where in its 16-county region a business would locate. The developer said the Partnership, and the entire region, is controlled by Basnight and by R.V. Owens III. Owens is Basnight's

nephew and chief fund-raiser, as well as the son of former Utilities Commissioner Bobby Owens.

The Currituck Ferry

Basnight was also the driving force behind the General Assembly's appropriation of \$834,000 in June 2003 for a new ferry service across the Currituck Sound that was scheduled to begin in May 2004. In June 2004, the state Division of Coastal Management issued a notice of violation to DOT after a Ferry Division boat and crew dug an illegal channel near Corolla.

Although proponents of the ferry said it was needed to transport schoolchildren from the Outer Banks to the Currituck mainland, documents suggest that the service was intended to transport resort workers and tourists. The proposed route would have been about 12 miles across the shallow Currituck Sound from the Currituck community to the Corolla community.

"The proposed ferry service is feasible, assuming the appropriate permits can be obtained," Ferry Division Director Jerry Gaskill concluded in a study. But he failed to address two previous unsuccessful attempts by Currituck County to obtain a dredging permit for the shallow Corolla location.

In June, a jury convicted Gaskill of making a material false statement to a federal agency in connection with an investigation of the illegal dredging. Four other Ferry Division employees had pleaded guilty to charges in connection with the dredging incident before Gaskill's trial.

Abuse of privileges?

In July, state and local public officials used another state ferry for personal use, hopping aboard the Floyd Lupton for a lavish cruise at the Tall Ships Festival in Beaufort. Several state legislators, both Republican and Democrat, as well as cabinet members in Easley's administration took the two-hour tour. It featured a sumptuous feast, an open bar, and a steel-drum band. *The News & Observer* of Raleigh reported that the cruise cost more than \$30,000.

Easley condemned the Ports Authority-sponsored cruise, but the governor himself has not been averse to using state transportation vehicles for his personal use. Reports both in *CJ* and in *The News & Observer* in recent years showed that Easley regularly uses either a state airplane or helicopter to drop him off in Brunswick County or nearby Wilmington at the end of a week, or to pick him up there on a Monday or Tuesday. Easley has a residence in Southport in Brunswick County.

Nearly all the trips have been to promote Easley's agenda. Many excursions were to the locations of new or



Former Northeast Partnership president Rick Watson

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expanding businesses in the state, for the purpose of announcing Easley's disbursement of targeted economic development incentives to the companies. Other reasons given for the air travel were ribbon cuttings, troop deployments, highway dedications, and bill signings. On some occasions in 2004 journeys to Southport were added to trips as far-flung as Asheville, for a jobs announcement for Jacob Holm Industries, or to Concord, where Easley and son Michael traveled to promote the state back-to-school shopping tax holiday in August.

Southport Marina/Cannonsgate

Easley has also failed to disclose a personal business relationship — a \$250,000 home-remodeling contract — with Wilmington developer Charles "Nick" Garrett Jr. before calling for a Council of State vote to approve a lease of the state-owned Southport Marina to Garrett and his associates. Garrett denies being part of the new ownership group, despite his name's presence on documents that identify him as an owner. The contract was for a substantial remodeling of Easley's Southport home in 2001.

The new 15-year lease with Southport Marina Inc. contains extensions that would tie up the property through 2040. The lease requires that the company pay the state \$160,000 in rent yearly, with an annual increase of as much as 3 percent. Two Southport residents called the new lease a "sweetheart deal" for Easley's friends.

Garrett has built several luxury condominiums across the street from the marina. He also told the *Wilmington Star-News* that he was going to be the contractor for a new restaurant at the marina. Garrett has tried to acquire adjacent property and attempted to buy the marina in 2005.

In addition to involvement in the marina and the remodeling of Easley's Southport home, the well-connected Garrett managed to get a plum automobile license tag franchise in Wilmington from the N.C. Department of Transportation despite a recommendation by a DOT official against granting the franchise.

In another transaction, Easley in December 2005 purchased a lot in the exclusive Cannonsgate community on Bogue Sound in Carteret County. Public records indicate that Easley paid \$549,880 for the lot on the corner of the Intracoastal Waterway and a new marina. *Carolina Journal* and *Charlotte Observer* analyses indicate the lot could have sold for much more. Who set the price, and how the lot was reserved for Easley, is not clear.

Easley bought the lot from R. A. North Development Inc. of Matthews, controlled by brothers Gary Allen and Randy Allen. Easley appointed Randy Allen to the Wildlife Resources Commis-



The Council of State, with Gov. Mike Easley presiding, approved leasing the Southport Marina (above) to Wilmington developer Charles "Nick" Garrett Jr., whose company did a \$250,000 remodeling project on Easley's home in Southport in 2001. (CJ file photo by Don Carrington)

sion about the same time his lot purchase was pending. Real estate investor Lanny Wilson of Wilmington, through his company Cannonsgate Investments LLC, provided \$12.5 million in financing for the project. Wilson's Deed of Trust to the developer is dated July 8, 2005.

Wilson is a major political donor to Easley and other Democrats. Easley appointed him to the Real Estate Commission and to the N.C. Board of Transportation.

Easley's lot acquisition took place at the same time he orchestrated the new lease for the other new owners of the Southport Marina.

Garrett and Wilson share a Wilmington office and are business partners in the development of condominiums adjacent to the Southport Marina. Garrett also is a major political donor to Easley and other Democrats.

The *Charlotte Observer* reported in August that Easley administration officials forced Garrett to step down from the Clean Water Management Trust Fund board over an apparent conflict of interest involving land in Caldwell County.



Gov. Mike Easley (left) listens as Judge Robert Farmer, ethics board chairman, discusses new ethics guidelines for executive branch departments in May 2006. Easley proposed the new guidelines based on recommendations by Farmer. (CJ file photo by Don Carrington)

What effect will it have?

Former Agriculture Commissioner Meg Scott Phipps and Ballance are serving sentences in federal prison for political corruption. Federal officials are investigating possible wrongdoing by other Democrats.

What will it portend for the party in November?

"I think it's a very strong issue," Peaslee said. "I don't know that it's the number one issue."

Wherever it ranks in the minds of voters, state Republicans plan to play it up this fall. The party has established a Web site — www.democratcorruption.com — to showcase their opponents' scandals.

"It could easily be said that we have the most corrupt state government in the nation," Peaslee said.

State Democrat leaders expect that ethics and corruption will represent the GOP's entire campaign this year, but the Democratic Party's communications director, Schorr Johnson, said he thinks North Carolinians are smart enough to recognize that Republicans have no other issues to play up.

"There are some serious concerns [about the investigations]," Johnson said, "but Democrats have a positive record to run on." He cited an increase in the state's minimum wage, lobbying and ethics reform, "historic levels" of education funding, and a balanced budget among his party's achievements. He also said the state Democratic Party would emphasize the GOP's own ethics scandals on the national level.

"Republicans want to run North Carolina like they've been running Washington," Johnson said. "I'd rather be in our shoes than their shoes this year."

Thad Beyle, professor of political science at the University of North Carolina, said any negative effects caused by ethics and scandals in the state legislature are unlikely to overcome the disapproval ratings of Bush and the way most Americans feel about the war in Iraq. Those issues are "weighing on the voters" more than state scandals, he said. "The only thing is you can look at the state polls," to determine where voters might stand, Beyle said.

One poll, from the Raleigh-based Civitas Institute, a research organization that promotes conservative ideals, seemed to back Beyle's assertions on the scandals. In an August poll, 40 percent of respondents said they would vote Democrat if the 2006 election were held then, while 36 percent said they would vote Republican. Forty-four percent in August said they approved of the job performance of the state legislature; 42 percent disapproved.

In March, 40 percent had said they approved, while 45 percent said they disapproved. This was despite the fact that more North Carolinians responding to the poll demonstrated an increasing awareness of the Black scandal.

Meanwhile, Bush's disapproval ratings in the Civitas poll have consistently remained above 50 percent this year. Jack Hawke, president of Civitas and a former campaign director for various Republicans, said the scandals are unlikely to affect Democrat candidates negatively across the board. He said if Republicans were to capitalize, it would have to be done "candidate by candidate, race by race."

He predicted that Democrat House members in close, "swing" districts would soon (if they haven't already) call on Black to resign from the speaker's position in order to blunt attacks from GOP opposition. By *CJ's* publication time, Reps. Lorene Coates of Salisbury, Pricey Harrison of Greensboro, and Alice Graham Underhill of New Bern were the only Democrats publicly to have asked Black to step down.

This year, Hawke said, the GOP will do well to "just hold on."

"North Carolina as a general rule follows the national trend," Hawke said, "and that is a problem for the Republicans." CJ

NC Delegation Watch

Coble wants Bush candor

U.S. Rep. Howard Coble, R-N.C., says the Bush administration should admit that U.S. mistakes have plagued the post-invasion occupation of Iraq, according to an Associated Press report.

"Candor is not a sign of weakness," Coble said at a meeting in Jamestown on Aug. 7. "People in my district who stood in line to vote for President Bush aren't happy about Iraq."

Coble said at the meeting he believed the United States was right to remove Saddam Hussein from power, but that the "lack of a post-entry strategy gnaws at me," the AP reported.

\$3 million for transit: Coble

More than \$3 million was sent to the 6th District for several public transit projects, according to Coble, who secured the funds. He said federal grants will be used for transit projects throughout the district, including Elon University, and for a new transportation proposal.

Coble, a senior member of the House Transportation and Infrastructure committee, said that one grant is for \$2.164 million and the second is for \$990,000. Both grants went to the Piedmont Authority for Regional Transportation.

"I am excited how these federal dollars will support several worthy projects and will also foster a study of an exciting new proposal to serve our region," Coble said Aug. 4.

More than \$200,000 of the \$2.1 million grant will be used to get Elon University's — a private school — new bus shuttle system running.

The funds will be used to purchase new buses and to develop a biodiesel fueling station, Coble said. The remainder of the grant will be used to purchase new buses, construct shelters, and upgrade other PART operations. Coble said the \$990,000 grant will fund a PART study of an alternative transportation system that could run from Hanes Mall in Winston-Salem to North Carolina A&T State University.

Also, as part of his ongoing effort to ensure a quality transportation system for the International Home Furnishings Market in High Point, Coble announced the release of more than \$2 million in federal funding for the construction of a transportation terminal to serve the thousands of visitors who attend the trade show. CJ

Jones disagrees with fellow Republicans

Patriot Act Renewal Bill Splits N.C. Delegation

By MITCH KOKAI

Associate Editor

RALEIGH

As people across the country cope with new security-related airport delays, the latest high-profile terrorist plot is also drawing reaction from members of Congress.

"Today, we are grateful for the ongoing vigilance of our allies and our intelligence professionals in the fight against terrorism," said Rep. David Price, D-N.C., in a statement posted on his Web site Aug. 10. "A number of would-be terrorists have been apprehended by British authorities before their sinister plot could have unfolded."

The "sinister plot" involved plans to use liquid explosives to blow up as many as 10 airliners bound for the United States from Britain. Reaction on both sides of the Atlantic included increased security measures, which led to lengthy airport delays.

Authorities said the plot could have led to the most conspicuous act of terror since Sept. 11, 2001. But Price's chief of staff told *Carolina Journal* the plot has not prompted Price to rethink his opposition to renewing the USA PATRIOT Act.

Other members of the N.C. congressional delegation have concerns about the public's attitude toward terrorism.

"I am very concerned that the American people do not understand that we are in a war — a war with terrorists, a worldwide war," Republican Rep. Virginia Foxx said at a recent Civitas Institute luncheon in Raleigh. "And that troubles me a great deal. I think the inability to accept that at the level to which it should be accepted is coloring a lot of what's happening in this country."

Initially passed in the weeks after the Sept. 11 terrorist attacks on New York and Washington, the PATRIOT Act amended laws targeting issues such as immigration, banking, and money laundering. It also created a new crime of "domestic terrorism." Supporters cited the need to take new steps to fight a terrorist threat. Opponents contended that the act threatened Americans' freedom from government intrusion.

Congress overwhelmingly supported the original PATRIOT Act, but the N.C. delegation split on efforts to reauthorize the act during the past year. Price and Rep. Mel Watt, D-N.C., were the only members of the state's delegation to vote against reauthorization in July 2005. The other 11 N.C. representatives voted "yes" as the House approved the measure, 257-171.

Rep. Howard Coble, R-N.C., touted the bill in a speech on the House floor. "I am not trying to be a Chicken Little and shouting that the sky is falling," he said, "but just because we have not been attacked subsequently since 9/11 does



"I am very concerned that the American people do not understand that we are in a war — a war with terrorists, a worldwide war."

Rep. Virginia Foxx
R-N.C.

not indicate to me that these terrorists — I call them murderers, they are murderers — are asleep at the switch. They are continuing to plot, and we cannot turn a blind eye to them."

The voting pattern changed when an amended bill returned to the House in December. All six House Democrats supported a motion to return the PATRIOT Act to the conference committee working out differences between the House and Senate versions of the bill.

The House rejected that "motion to recommit" by a vote of 224-202. Then the N.C. delegation split 8-5 when House leaders put the PATRIOT Act up for another vote. Democratic Rep. G. K. Butterfield and Republican Reps. Walter Jones and Charles Taylor joined Price and Watt in casting "no" votes.

Butterfield still stands behind that vote. In a statement to *Carolina Journal*, he said there are still more effective ways to keep America secure.

"We need to strengthen our homeland defenses and give law enforcement and intelligence agencies the tools they need to fight terrorists, but that does not mean we should give up our civil

liberties," Butterfield said. "So far, the PATRIOT Act has failed to demonstrate any impact on terrorism."

Watt was traveling overseas as this was written. He could not be reached for comment. In December, he had cited his fears about the loss of individual rights. "I certainly favor protecting our country against attacks from people or groups plotting to do our citizens harm," he said in a news release, "but we must not require the American people to sacrifice their right of privacy to trample the principles underlying the individual rights of each citizen in the name of fighting terrorism."

Even with three additional "no" votes from the N.C. delegation in December, the House approved the reauthorized PATRIOT Act, 251-174. Three months later, both N.C. senators, Elizabeth Dole and Richard Burr, voted for the legislation as it moved through that chamber, 89-10.

House members had one last chance to address the PATRIOT Act in early March, when they considered amendments to the final package. The N.C. delegation voted 9-4 in favor of that amendments bill, with Butterfield, Jones, Price, and Watt casting the "no" votes.

Jones declined comment for this story. As the only N.C. Republican to cast a "no" vote in March, he issued a news release explaining his action. The release said Jones "joined 12 conservative members" in rejecting the bill, "to voice disappointment with several aspects of" the final plan.

"One of my greatest concerns with [the bill] is that it includes 10-year sunset provisions in its renewal of the USA PATRIOT Act," Jones said in the release. "Four-year sunset provisions are a better alternative for allowing Congress to revisit the expanded police powers provided by the PATRIOT Act to verify that these expanded authorities remain necessary."

Jones also raised concerns this summer when the House debated a resolution to declare "the United States will prevail in the Global War on Terror." Eight N.C. House members voted for the resolution, while Butterfield, Price, and Watt voted "no." Meanwhile, Jones and Rep. Brad Miller, D-N.C., voted "present."

"I could not vote 'yes' or 'no' ... because a resolution to merely 'declare that the United States will prevail' in a 'noble struggle' misses the point," Jones said in a June 16 news release. "A 'yes' or 'no' vote would have legitimized an effort to effectively avoid the subject."

Others had no problem joining the House majority that supported the resolution. "This resolution makes clear that the American people are determined to prevail in protecting our freedoms from terrorists," Foxx said. CJ

Schweikart: History Will Show Nov. 2004 Was Turning Point in Iraq

Historian Larry Schweikart, author of the recent book *America's Victories: Why the U.S. Wins Wars and Will Win the War on Terror* recently discussed the War on Terror with the John Locke Foundation's Mitch Kokai. The interview aired on Carolina Journal Radio. (Go to <http://carolinajournal.com/cjradio/> to find a station near you.)

Kokai: You are pretty confident this war is winnable.

Schweikart: I think we already won it in November 2004 in Fallujah. I think if you look at both the incredible casualty levels the enemy has taken, which none of the news accounts ever mentioned, they don't ever even treat that like it is an issue, like there is some inexhaustible supply of these terrorists.

The Japanese found out in World War II there was a very finite and limited supply of Kamikaze pilots. After the first wave died, their recruiting dried up, like "Who wants to die for the emperor? Not me, not me." And they had trouble recruiting after that. And the same thing is happening in the Middle East. After that first wave of people went in and we annihilated them, they are finding it very, very difficult to recruit these fighters.

I think from a historical perspective we will look back in 30 years and say, "Okay, we won the battle of Iraq," and I hate the term "War in Iraq" because the battle in Iraq and the battle in Afghanistan are just two battles in the War on Terror. Maybe two fronts, but they aren't separate wars any more than Sicily was a separate war from the Pacific.

So I think historically speaking, we are going to look back and see that probably November 2004 was the turning point — the death of Zarqawi, it is eerily

similar to the shooting down of Yamamoto in 1943. The thing is, historically if you look at insurgencies — guerilla wars — they typically take between five and eight years to win and overwhelmingly the government — and that would be us in this case — has won three-fourths, almost 80 percent of those wars.

Kokai: You mention that five- to eight-year time frame. Some have said this is a different kind of war. We are not fighting a sovereign state. So fighting terrorism could lead to a conflict that lasts decades.

Schweikart:

People say, how can you fight a war on terrorism? It is not a nation or a state. And I would have to remind people we have defeated three "isms" already in the 20th century — fascism, communism, and Bushidoism.

Now it so happened that most of those were contained within a certain state, but not communism. We defeated communism, and yet there are communist states still around. Heck there is even a communist still at the University of Massachusetts, Amherst.



Historian Larry Schweikart speaking at a recent John Locke Foundation Headliner event (CJ photo by Don Carrington)

We defeated the "ism" without having to defeat all the states. That is entirely possible. The Cold War took 40 years. I don't think this war will take that long. I think especially after you set up the bookends of Afghanistan and Syria. Once those four are out of the way, I think you've got pretty much the war won and then we are into the mopping up and pacification stages.

Kokai: Earlier you mentioned several "isms," but what about pessimism? A lot of

people, including those capable of drawing a lot of publicity, don't think we can win the war in Iraq.

Schweikart: You always need to be concerned that it doesn't get to be so overwhelming that it begins to erode the morale of the majority, and so far I don't see that. The majority of the American people are still behind the troops and still understand that this is a desperate and important mission. There is another way to look at that, though, as I say in the last chapter of my book — protesters make soldiers better.

Ever since World War I we have had anti-war protesters in every war going back to the Revolution. I mean people were thrown in jail as Emerson or Thoreau were thrown in jail in the Mexican War, you had draft riots against the Lincoln administration in the Civil War, William Jennings Bryan was opposed to the Spanish-American War. World War II was the only war without significant numbers of anti-war protesters and even then you had anti-war protesters.

But what has tended to happen since World War I is that anti-war protesters have found they have no impact on American public opinion by emphasizing either collateral damage to enemy noncombatants or American brutality/barbarism. In every war you are going to get some rogues that go nuts and do things that they shouldn't do...you can't get away from that. But as a whole, the United States does not engage in these kinds of acts.

In terms of emphasizing enemy

noncombatants, we were bombing cities in Germany; no Americans really cared about that. They wanted to get the war over. So the only tactic that the anti-war protesters found really worked was to emphasize American casualties. That is the whole Cindy Sheehan thing; until she went off the deep end, she was having an effect because here is a mom who lost a son and it is this whole thing — would you want to be that mother, that father?

Ever since World War I the U.S. Army especially has recognized this. They had a study called the "Casualty Issue" in which they said essentially we can't take high casualties; the American public will not tolerate intensely high casualties — Civil War-era casualties — ever again.

So what they began to do, and it has permeated our system ever since, is to engage in relentless training, whereby to lower casualty rates our soldiers are by far the best trained in the world, the best armed, the best supplied, the best medical evac to the point that in Iraq, the survival rates are astronomical from war wounds.

And so what that has done, ironically, is to make our soldiers better, more lethal than ever. Which I am sure the anti-war people would hate to hear, but it is a fact.

Kokai: The title of your book is *America's Victories: Why the U.S. Wins Wars and Will Win the War on Terror*. So why will the U.S. win?

Schweikart: One, we have an army that is primarily citizen soldiers. We've had a few drafts in the past — interestingly I was just reading Max Hastings' book *Warriors* in which he dealt with the criticisms of the American infantry in Europe, and it seemed that the draftees were largely criticized by the British and the Europeans and the Germans didn't think very much of the draftees.

But the volunteer units and the airborne units, the specialized units that had the heavy training, they were terrified of those units. And the same is true now because we have citizen soldiers who are volunteers, free people who can vote.

They are willing to undergo training like no other. As a result we push autonomy down to the lowest levels, we entrust our sergeants with levels of autonomy that are the envy of colonels in the Middle East.

We expect people to know the jobs of the man above and below him. We learn from loss. Now that is a no-brainer to Westerners but there are many cultures, including the one we are fighting now, that to lose is a shame — it is not just a loss, it is a shame.

And to admit you've lost and say, "Why did we lose?" that is a double shame. So it is very difficult for those cultures to learn from loss.

CJ



Agenda 2006: A Candidate's Guide to Key Issues in North Carolina Public Policy (Policy Report by the John Locke Foundation)

North Carolina Convention Centers: Important Lessons for Asheville and Wilmington (Policy Report by John Locke Foundation Research Director Michael Sanera and Travis Fisher, John Locke Foundation Research Intern)

The Burden of Immigration: Confusing Statistics on Hispanics and Illegal Immigrants (Spotlight #292 by Joe Coletti, John Locke Foundation Fiscal Policy Analyst)

Teaching Immigrants English: Direct Instruction Is the Best Way to Teach Limited English Proficient Students (Spotlight #294 by Terry Stoops, John Locke Foundation Education Policy Analyst)

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State School Briefs

N.C. pinches payouts

North Carolina's first lottery tickets went on sale in August under a prize structure that pays winners less than what other states offer.

The idea behind the state's approach is to keep more of the money for education. But it might backfire, *The News & Observer* of Raleigh reported.

Here's the predicament: By law, North Carolina lottery officials must try to return at least 35 percent of all ticket sales to statewide education programs. That's an ambitious figure compared with other states. And to meet it, North Carolina will have to limit the money it uses to pay prizes or cover its lottery costs.

Lottery experts and Tom Shaheen, the state's lottery chief, say the 35 percent requirement could actually keep the lottery from reaching its goals of bringing in as much money for education as possible.

Other states have tinkered with the percentages they direct to prizes and to government programs.

What they've typically found is that setting aside a bigger percentage for prizes, and a smaller percentage for the government programs the lottery pays for, leads to better sales. The word gets out that it's easier to win. And the increased sales, in turn, actually lead to more money for the state programs, they say.

Charters seek lottery share

Charter school parents and administrators are petitioning state lawmakers to get a slice of lottery proceeds for school construction and other building needs.

North Carolina has 100 charter schools with 30,000 students. Under state law, charter schools cannot receive state money to purchase or maintain buildings.

Getting a chunk of lottery proceeds would free charter schools to reinvest in teacher salaries, enrichment programs, and developing a better library, said Jackie Williams, executive director of Evergreen Community Charter School in Asheville.

"We have a very, very tight budget," Williams said. "That means our teachers don't get paid as other state employees. The state spends less money on a child in a charter school than in another publicly funded school," the *Asheville Citizen-Times* reported. CJ

Certification expensive

Schools Find It's Not Cheap Being 'Green'

By SAM A. HIEB
Contributing Editor

GREENSBORO

A growing trend in public education nationally — "green" schools — appears to have reached North Carolina. But school systems are quickly finding out that green schools cost quite a bit of green money.

A recent *Winston-Salem Journal* editorial urged Winston-Salem/Forsyth County Schools to "take up a proposal that the system build more environmentally friendly schools. Such buildings could save money and help the environment — giving some valuable lessons along the way."

The *Journal's* editorial further urged WSFCS to pursue certification through the United States Green Building Council's Leadership in Energy and Environmental Design program. The *Journal* also urged the school system to pay for it.

"The school system should find a way to pay for the certification process. The system can't afford to put each of its new buildings through this costly process, but doing it once would give the system valuable information about how it can make future buildings even more environmentally friendly, even if those buildings lack the green certification," the *Journal* wrote.

After hearing that the certification process could cost \$30,000 to \$40,000, Gene Miller, WSFCS' assistant superintendent, didn't buy into it, literally and figuratively.

"Knowing our school board, knowing our superintendent and well, myself, I just don't see the need to spend that much money to put a plaque on the wall," Miller said in a phone interview. "We don't feel like we ought to be using taxpayers' money to fund something like this."

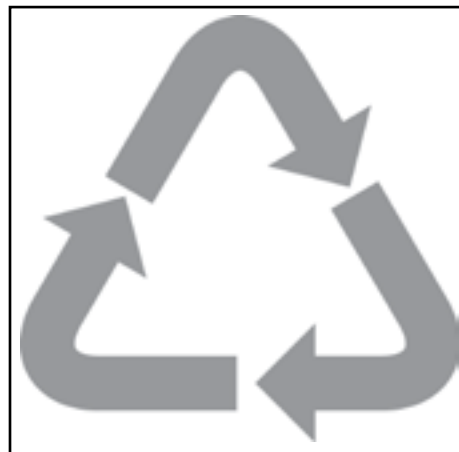
Don't get Miller wrong. He's all for environmentally friendly schools, and he thinks LEED is a fine program.

But he said WSFCS has been building environmentally friendly schools, with features such as south-facing orientation, energy-recovery ventilators, and metered water for years without the oversight and expense of LEED certification.

"We're on top of things," Miller said.

Other school systems are resisting the trend. Guilford County School officials are proud of the new Northern Middle School, which would qualify for LEED certification, said Joe Hill, GCS' facility planning consultant.

But GCS is "not requiring LEED certification of our projects primarily because of the costs associated with documentation and commissioning," Hill wrote in an e-mail message.



In Iredell County, Third Creek Elementary School has received much notice as the nation's first public school to have the LEED Gold certification. Third Creek was constructed with environmentally friendly features such as a south-facing orientation, a manmade wetland, waterless urinals, and specially certified hardwood doors.

According to the USGBC Web site, LEED certification helps buildings "establish recognized leadership in the green building sector, validate achievement through third party review, qualify for a growing array of state and local government incentives, contribute to a growing green building knowledge base and earn a LEED certification plaque and certificate."

To earn LEED certification, applicants must satisfy all prerequisites and enclose the "corresponding fee." If a project is denied LEED certification, then the applicants follow an appeals process.

USGBC spokeswoman Taryn Holowka said certification fees start at \$1,250 for members and \$1,500 for nonmembers for buildings less than 50,000 square feet. For larger projects, including those more than 500,000 square feet, fees are capped at \$17,500 for members and \$22,500 for nonmembers.

Considering the expense and trouble, why buy into LEED certification?

"Because it's the right thing to do. The world our kids live in is going to be substantially different from the world we live in today," said Tom Hughes, vice president of Moseley Architects P.C., the firm that designed Third Creek. "It's that testimony, if you will, that you did the things you said you were going to do at the level that you said you were going to do it, and there's some way of

measuring that accomplishment. LEED certification is that measurement."

Hughes explained that while the initial certification is indeed a flat fee, materials, legwork, and third-party verifications drive costs up considerably.

"The process is as important as the end product," Hughes said. "We're constantly involved in the process of building the school. Third parties have moved into that field to make sure systems operate at the levels they're supposed to. Just because it was designed that way doesn't mean it was built that way."

But Hughes is confident those costs will decrease as more systems go for LEED certification. As everyone becomes more familiar with the process, fees will more easily be estimated in upfront costs. Materials are already cheaper, Hughes said.

In the case of the PSC-certified doors, Hughes said, "We couldn't find a manufacturer then. You can buy them in Home Depot today. The industry has moved to meet the demand. The stuff's right out there, readily available and competitive."

But it might be too late for the pioneer of LEED certification in North Carolina.

"LEED's a very good program. But to say that I would use it on future schools, I don't think so," said Rob Jackson, director of construction for Iredell/Statesville Schools. "I hate to be critical, but it's just like any other bureaucratic process. There's a lot of red tape and a lot of paperwork. It's very time-consuming, and the more it gets out, the more it's going to drive costs up. Your time of recovery gets stretched out."

Jackson said the system paid a \$2,000 flat fee for LEED certification in 2001. But the system racked up \$130,000 to \$140,000 in additional costs when building Third Creek, which cost a total of \$10 million. Third Creek did indeed recoup the extra costs in energy savings over the first two years.

But Jackson doesn't see costs lowering as the market for LEED-certified schools increases. "As contractors become aware of the certifications, it's going to drive the costs of construction up," Jackson said. "Everybody wants to build an energy-efficient school, but how do you do it without affecting something else?" CJ

"Knowing our school board, knowing our superintendent and well, myself, I just don't see the need to spend that much money to put a plaque on the wall."

Gene Miller
WSFCS Asst. Supt.

State Inconsistent in Its Views Of Standardized Student Tests

By KAREN McMAHAN
Contributing Editor

DURHAM

Several years ago, public schools in North Carolina abandoned nationally standardized testing in favor of their own state-developed tests. At the same time, however, the state mandated that nonpublic schools—private, parochial, and home schools—must use nationally standardized tests or other nationally standardized equivalent measures selected by the school's chief administrative officer to show that students are meeting the minimum standards of learning.

Administrators have offered a number of arguments for why they think nationally standardized tests are inadequate measures of student performance. Yet some observers wonder why these same arguments do not apply to nonpublic school children.

To support their abandonment of nationally standardized testing, state education officials have argued that children are being overly tested, that the tests can be coached, and that nationally norm-referenced tests are unfair and do not measure skills students need in real life.

Contradicting that reasoning is one of the nation's most renowned standardized achievement tests, the Iowa Test of Basic Skills. It is backed by more than 70 years of research. The ITBS provides a comprehensive assessment of student progress in major content areas, many of which assess skills that students need for daily life, such as locating, interpreting, and analyzing maps, diagrams, reference materials, charts, and schematics.

Unlike the Iowa Basic Test of Skills, the California Achievement Test, and the Stanford Achievement Test, which are nationally norm-referenced and mean that students are measured against a national norm group, North Carolina's state-developed tests are not nationally norm-referenced.

The only qualification to write a test question for North Carolina's end-of-grade tests is that one be a teacher. Secrecy surrounds how the tests are developed. Students in public schools, including charter schools, are required to take the North Carolina end-of-grade tests in grades three, five, and eight but are not required to take nationally standardized tests.

In contrast, private and home schools are required to administer nationally standardized tests to students every year but are not required

to administer North Carolina's state-developed tests. Most private schools in North Carolina use the ITBS, SAT-9, CAT-5, or other nationally recognized achievement tests. If parents of public school children want their children to take a nationally standardized test, they must pay for it themselves.

The state Board of Education says it uses test results to ensure that only those who pass the tests are promoted to the next grade. But Liz Morey, director of Healthy Start Academy, a charter school in Durham, said that too often the parents and teachers "don't know until it's too late because the scores come out several months after the students have been promoted to the next grade."

Angela Cutlip, a home school parent, director of ATC Educational Services, and a former North Carolina public school teacher, agrees that there is only a 21 percent chance that

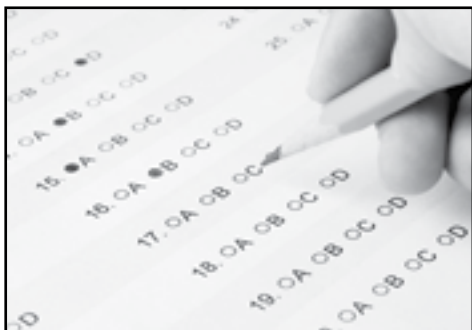
students who fail the end-of-grade tests will be held back. "And the students are aware of that fact."

Cutlip argues that standardized testing, in conjunction with ongoing assessment methods, such as running records and performance-based assessments, is essential for evaluating student performance. Nationally standardized tests provide a "valid and reliable tool for objective measurement of achievement." Cutlip and Morey both agree that part of the problem arises when test scores are improperly or poorly communicated to parents. But that doesn't mean nationally recognized tests should be abandoned in favor of lower standards.

Parents are told that public school students in North Carolina are doing better and that their scores are rising. But the scores they refer to are on the state-developed tests. On nationally normed standardized tests, according to National Home Education Research Institute, home school children outscore their public school counterparts by wide margins in all achievement areas (by 30 to 37 percentile points).

Similar figures hold true for private school children. North Carolina made such comparisons difficult when it abandoned nationally standardized tests in public schools.

North Carolinians have more than anecdotal evidence to show that public schools are failing, yet they are told that the answer to the state's educational woes lies in more money, smaller class sizes, grander school buildings, fewer tests, and so on. CJ



Commentary

Spinning the Numbers

When it comes to educating students, do private schools have an edge? This summer, dueling reports weighed in on this question, provoking yet another skirmish in the long-running school choice wars.

In July, the U.S. Department of Education's National Center for Education Statistics released a study comparing the reading and math performance of fourth- and eighth-grade students in public and private schools. Using test results from the 2003 National Assessment of Educational Progress (NAEP)—given to a sample of students in public and private schools—researchers found that

private school students performed significantly better than did students in public schools. But the story doesn't end there: Researchers then chose to "put test scores into context," and adjust for "race, ethnicity, income and parents' educational backgrounds" in order to "make the comparisons more meaningful." The new data told a completely different story.

"Adjusted" results revealed that private and public school students performed similarly in fourth-grade reading and eighth-grade math. However, public school fourth-grade math scores were significantly higher than those in private schools, while eighth-grade private-school reading scores were better than those in public schools. While the report's executive summary urged caution in interpreting results, suggesting that "an overall comparison of the two types of schools" would be of "modest utility," school-choice opponents speed-dialed reporters, barely suppressing their jubilation.

In response to the study, Reg Weaver, president of the National Education Association, the nation's largest teachers' union, trilled a paean of praise for public schools, claiming they were "doing an outstanding job." Weaver heralded NCES results as evidence that poor families did not need school choice. Howard Nelson, a researcher for the American Federation of Teachers (another educators' union) suggested NCES data provided proof that "private schools are not the silver bullet that voucher advocates say they are." Even the mainstream media fixated on "adjusted" data, with the headlines, "Public

Schools Perform Near Private Ones in Study," (*New York Times*) and "Long-Delayed Education Study Casts Doubt on Value of Vouchers" (*Wall Street Journal*).

Fortunately, other researchers began to take a closer look at NCES' "adjustments," questioning the study's methodology and conclusions. In a second study released this past August, Harvard University's Paul Peterson found that the benefits shown by NCES for public schools were due entirely to flawed "adjusting" by researchers. Employing a different (and more accurate) method of measuring student

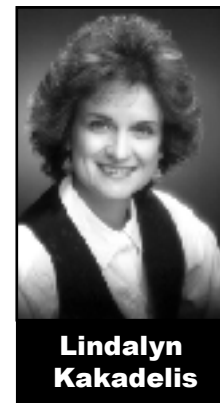
characteristics, Dr. Peterson and his colleague Elena Llaudet found a "consistent, statistically significant private school advantage."

According to the Harvard researchers, NCES' income "adjustments" relied completely on student participation in federal programs for disadvantaged pupils (like Title I). This is inherently problematic since public schools participate in these programs at much greater rates than their private counterparts.

According to Peterson and Llaudet, during 2003-04, just 19 percent of private schools took part in Title I compared to 54 percent of public schools. As a result, NCES clearly underrepresented the number of disadvantaged students in private schools, skewing results in favor of public schools.

Second, it seems clear that private schools have a leg up on public schools academically. But that doesn't negate the fact that lots of public schools are doing a commendable job. Parents know this and seldom demonize one whole "system" as intrinsically bad. After all, no two schools are the same, and this is true for both public and private school groupings—a fact affirmed by the authors of the NCES study.

Where does that leave us? When it comes to choosing a school, parents have the requisite smarts and savvy to make the right decision. That won't ever change, no matter how you run the numbers. CJ



Lindalyn
Kakadelis

Lindalyn Kakadelis is director of the North Carolina Education Alliance.

School Reform Notes*Two new charters advance*

Two new Triangle charter schools, including the first one in Johnston County, have received preliminary approval to open next year, *The News & Observer* of Raleigh reports.

The N.C. Board of Education recently gave preliminary approval to Neuse Charter School in Johnston County and Voyager Academy in Durham. Both schools will spend this school year planning before seeking final approval to open in fall 2007.

Neuse Charter, which organizers hope to place in Smithfield, will serve kindergarten through eighth grade, with emphasis on international studies and foreign languages. It will use the Paideia instructional model, in which teachers focus on small-group instruction and projects.

Voyager Academy, serving grades four through eight, will focus on hands-on learning. Students will be required to demonstrate their public-speaking abilities. The school also will begin a program focusing on ethics and decision-making skills.

Making dress codes clear

Some school principals are sending home letters to remind parents about dress codes, *News 14 Carolina* reports.

Dianna Bridges, the principal at Shelby High School, sent a letter that says she is stepping up expectations and enforcing dress code regulations this year. If female students show cleavage or wear skirts that are too short, she will contact parents first. After that, Bridges plans to discipline the students.

Elementary-school principals and middle-school principals are also making it clear as to what is acceptable and what isn't.

"I think it's great," said Shannon Luckadoo, who has a child in second grade. "They need to teach them sooner."

In Charlotte-Mecklenburg Schools, each school has its own specific dress code.

"Each school is very different, the demographics are different. Therefore, the principals have a site-based decision," CMS spokeswoman Tahira Stalberte said. "They have the authority to set that dress code based on needs of the school."

Stalberte encourages parents to talk to the principals at their children's schools if they have questions about the dress code. CJ

*Sponsored by Jesse Helms Center***Program Teaches Students Entrepreneurship**

By HAL YOUNG

Contributing Editor

RALEIGH
The business team was working out its plan to open a fast-food franchise in an overseas market. Although their target company offered a popular menu, it maintained its ethical reputation by keeping a tight control on franchise operators. That could present issues later in the process, they conceded, but it might not be a showstopper.

Of course, it will be a while before this Chick-Fil-A opens in Moscow; the business partners were all under 18 years old, and the exercise was part of a weeklong summer program that introduces high school students to the concepts of entrepreneurship, foreign and domestic trade, and business ethics, under the overarching banner of free enterprise.

The Challenge

Now in its 11th year, the Free Enterprise Leadership Challenge is a project of the Jesse Helms Center in Wingate, east of Charlotte. Wingate University sponsors one session, while another is offered at Campbell University in Buies Creek. The cost of the program, including room and board, is entirely underwritten by private and corporate donors, with students providing only their transportation and a nominal activity fee.

The president of the Jesse Helms Center, John Dodd, first envisioned the program when he was a member of Sen. Helms' staff in the 1980s. Given the task of identifying potential major donors and supporters, Dodd met numerous successful entrepreneurs and business leaders. The encounters left a lasting impression on him and gave him a desire to communicate the spirit and excitement of free enterprise to students.

The opportunity came in 1994 when Dodd was chosen to lead the new Jesse Helms Center. "Sen. Helms gave the charge to me, 'I don't want a dusty museum or a mausoleum to Jesse Helms. I want you to develop programs for young people,'" Dodd said. Dodd led the first year's program himself, then hired Marilyn Robertson, a retired business professor, to direct the Challenge, starting in 1996.

"I know that every kid is not going to become an entrepreneur, and probably most won't," Dodd said, "but you don't have to put everything at risk to think and act entrepreneurially. In the era of globalization, everyone has to think outside the box.

"This is experiential learning," he said. "Kids can develop ideas when they're doing things; it can really drive home and change people's lives."

The experience is under way from the first hours on campus. Besides the



Students attending the Free Enterprise Leadership Challenge posed for a group photo during their visit. The event was sponsored by the Jesse Helms Center in Wingate, N.C. (Submitted photo)

Virtual Trade Mission, students meet with business and community leaders, write essays on ethics, and take backstage tours of successful endeavors such as the Charlotte FOX Network affiliate and Bank of America Stadium, home of the Carolina Panthers and one of the nation's few privately owned professional sports arenas.

The centerpiece project of the Challenge, though, is the opportunity for students to form their own business, and they go through a crash course in what it takes to launch a successful venture.

"They elect a board, president, treasurer, and so forth, then they write a business plan," said Derek Skinner, who arranges the speakers and staff for the program. "They write a mission statement, a budget, and a marketing plan; their goal is to make a profit by the end of the week. They'll be providing real products or real services, for real money."

Victoria Easter, a student at Thomas Jefferson Classical Academy in Mooresville, led a company that sold concessions at events during the week. Although she conceded her firm didn't make the most money, she said, "the practical lessons I took away were extremely helpful: learning how to manage funds, make choices that your business would best benefit from, working with others, sorting out legal documents."

"It makes a packed week," she said.

Javan Norris, a homeschooled student from Stanfield, said his experience was similar. Although unsure what to expect from FELC, Javan said, it was "a fun team experience."

His company produced a talent show for the end of the week, and while their expenses ate into their final profits, "it was a right decent success ... about 50 people from other teams came to the event, which probably made it the

biggest company project that week." He said he hopes to return for another year.

Skinner said that the students have always managed to end up in the black. "In all the years the program's been running, no company has ever lost money." Turning a profit is not the only goal, though.

"Many people don't realize that we really focus on philanthropy and giving back," Skinner said. "The two sessions this year made a total of over \$1,400, and the students were free to divide that up among themselves or do whatever they wanted with it. In both sessions this year, though, the students gave 100 percent of their proceeds to charity."

Principles of ethical business

That principled approach to business is the hallmark of the program. Dodd is careful to point out that America's Judeo-Christian consensus provided a rich philosophical soil for free enterprise to grow. Unfortunately, many developing nations lack the moral and ethical climate that distinguishes between no-holds-barred capitalism and business success with a conscience, he said.

"Look at what has happened in Russia," Dodd said. "They said, 'Let's have capitalism,' but they have no moral underpinning to it; communism destroyed it all. Now they have 'capitalism,' but they've had problems with it, and the people are beginning to lose their freedoms again."

A number of international students have taken part in the Challenge, sometimes sponsored by American embassies in their countries. Dodd presented the program in Uruguay three years running, and a Mexican university has a "franchise" to operate the Challenge in 13 Mexican high schools. CJ

Failing Schools Avoiding School-Choice Sanctions

By JIM STEGALL
Contributing Editor

RALEIGH

Some low-performing North Carolina school districts will no longer have to offer parents the option of choosing a different school for their children as required under the federal No Child Left Behind Act.

N.C. Department of Public Instruction officials said in late July that North Carolina and five other states had been selected to participate in a pilot program that alters the way in which sanctions are applied to schools failing to meet the "adequate yearly progress" goals established under the law.

The new rules will apply only to Title I Schools in seven selected districts: Burke, Cumberland, Durham, Guilford, Northhampton, Pitt, and Robeson. Title I schools are schools with a high percentage of students from poor families.

These schools receive more federal funding than others and must meet more-stringent federal requirements. For example, under normal circumstances Title I schools would have to offer their students the option of transferring to higher-performing schools if they do not make adequate yearly progress in the same subject area for two years in a row.

This sanction, known as public school choice, has been a centerpiece of NCLB since its inception in 2002. While cheered by school-choice advocates, many in the public schools establishment dislike the sanction. The pilot program offers schools a way to avoid, for at least one more year, having to comply with the public school-choice provisions of NCLB.

The compromise struck with the U.S. Department of Education allows



"DPI has never been a friend of the school-choice movement."

Lindalyn Kakadelis
Director
North Carolina Education Alliance

schools to offer "supplemental educational services," or free tutoring, to economically disadvantaged students rather than allowing them to transfer. Normally these supplemental educational services are a second-tier sanction, meaning that they are not offered until after all students have had the opportunity to transfer to another school. The deal effectively reverses the order of the sanctions, and gives schools one more year to get their act together before possibly losing students.

In a press release dated July 27, State Superintendent of Public Instruction June Atkinson said, "We welcome the opportunity to pilot this change.

"By offering supplemental educational services in the first year of Title I School Improvement, schools may boost their performance enough to make AYP and avoid further levels of sanction. More importantly, students who need additional academic help will have the opportunity to receive it sooner."

According to DPI, the changes could affect up to 35,000 students in 67 Title I schools in the seven counties. These 67 schools have failed to meet their adequate yearly progress goals in at least one area during the 2004-05 school year, and could face sanctions

when final results for the 2005-06 school year are released later this year.

Some are already guaranteed to be on the list because of failing scores in reading and language arts released in July. Scores on the mathematics exams will not be released until October.

Lou Fabrizio, director of Accountability Services at DPI, said the math scores will take longer to calculate because a new test was used this year, and the results must be studied carefully before passing scores can be set for each achievement level.

While the new rules may be unsettling to school-choice proponents, the practical impact of the new deal might not be great. Since NCLB became law in 2002 few parents have chosen to transfer their children to a different school when offered the chance.

Last year, for example, less than 4 percent (2,826) of students eligible for transfer to other schools chose that option. Supplemental educational services have proven a little more popular with parents, with more 5,500 students, 12 percent of those eligible, receiving services.

That may be because it's easier to accept the extra help being offered at the school the family is already familiar with

than to try another school in the same LEA. The supplemental services usually involve after-hours tutoring, either at the school or at a convenient location in the community. The services are designed to increase the academic achievement of low-income students, particularly in reading, language arts, and math.

Service providers can be for-profit organizations such as the Sylvan Learning Centers or nonprofit groups. There are 15 Sylvan entities on the approved list for 2006-07. Rather than pay outsiders to do the work, some LEAs (Charlotte-Mecklenburg, Durham, Wake) have started their own in-house supplemental service programs.

At least one state university, North Carolina Central, also has gotten in on the act. The State Board of Education screens and approves all service providers for a demonstrated record of achievement and financial stability.

Under the agreement with the U.S. Department of Education, schools that continue to miss their adequate yearly progress goals after a year of offering supplemental services must inform parents of their right to transfer their children. The offer must include transfer to at least two higher-performing schools in the district.

Some school-choice advocates are wary of the new deal, however. Lindalyn Kakadelis, director of the North Carolina Education Alliance and school-choice advocate, said, "DPI has never been a friend of the school-choice movement."

She pointed out that even when LEAs are forced to offer some choice, it is limited to other schools in that same LEA. Calling that a "controlled choice," she said, "That's what I do when I'm working with 2-year-olds," but such limited choices are not appropriate for parents. CJ

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See what one Raleigh paper called "Matt Drudge with Class"

Bats in the Belltower*Climate fear mongering*

In 1989, for *Discover* magazine, Dr. Stephen Schneider, biological sciences professor at Stanford, made an apology of sorts for scientists deliberately scaring people for political purposes. "We are not just scientists but human beings as well," Schneider said. "And like most people we'd like to see the world a better place, which in this context translates into our working to reduce the risk of potentially disastrous climate change."

How do they do that work? "To do that we need to get some broad-based support, to capture the public's imagination. That, of course, entails getting loads of media coverage. So we have to offer up scary scenarios, make simplified, dramatic statements, and make little mention of any doubts we might have," Schneider said.

Al Gore, in shilling for his new movie "An Inconvenient Truth" (the poster for which offers up the undoubtedly scary scenario of a hurricane spinning right out of a factory smokestack), recently reiterated Schneider's view. He told the environmentalist journal *Grist*: "I believe it is appropriate to have an over-representation of factual presentations on how dangerous [global warming] is."

In line with the Gore/Schneider scare-'em approach is the Spring 2006 issue of *Endeavors* magazine, the journal of "Research and Creative Activity" at the University of North Carolina at Chapel Hill. An article on global warming titled "Feeling the Heat" opens with the following:

Floods obliterate Wilmington, Norfolk, even New York. Millions of people relocate inland. America's bread-basket — the world's main producer of grain — returns to its Dust Bowl days. Hurricanes as wicked as Katrina regularly ravish (sic) the Southeast. East Coast weather imitates Ontario. Southern Europe swelters and then the North plunges into a deep freeze. Our global economy is shattered in one day. Sounds like the movie The Day After Tomorrow, which left scientists scoffing. Weather changes on a dime. Climate doesn't. But it can change quicker than you might think.

"It won't happen on Tuesday at 2:52 p.m.," says Doug Crawford-Brown, director of the Carolina Environmental Program. But, he says, the time frame "is stunningly short." CJ

John Locke Foundation Research Editor Jon Sanders compiles the Monthly Bats in the Belltower.

*First meeting of new year***BOG Prepares for Task-Filled Academic Year**

By SHANNON BLOSSER
Associate Editor

CHAPEL HILL

UNC Board of Governors Chairman Jim Phillips concluded his inaugural chairman's report during the BOG meeting in August by setting forth a leadership agenda for members that includes adhering to the statutes set forth for the BOG and telling members, "We have a lot of work to do." Phillips followed by saying, "There is no doubt we are up to the task."

The meeting, the first for the new academic year, served primarily as a transition moment for the organization. Board members approved new committee chairmen, said goodbye to past leaders, and set an agenda for the future.

That agenda included a board meeting in September that will focus on graduation and retention rates, as well as tuition policies within the UNC system.

Phillips said he wants to improve the quality of preparedness of trustees at campuses. He also proposed a study and initiative that would focus on the role of the UNC system in the next 20 years.

Phillips was elected chairman at the Board of Governors meeting in June. He is a Greensboro lawyer whose term on the BOG will expire in 2009. He replaced Brad Wilson, who had been chairman for four years. Wilson will remain on the board.

Before Phillips set his agenda in his remarks to the board, he recited the state statutes governing board members.

Phillips also set his agenda for his term as chairman. That began with a focus on a study to determine the specific needs of North Carolina's residents, whom, Phillips said, faced "real problems" and "real challenges." Instead of focusing on increased rankings or research institution status, Phillips said the study would look at how UNC and higher education in general can address those needs.

The study was discussed before the full board meeting in August in private conversations between Phillips and board members.

"We often get caught up in the nuts and bolts of keeping the organization running," Phillips said.

Phillips said the study would not be easy to conduct because "there is not a right answer" in addressing the needs. He asked members to set aside geographical and alumni associations

in order to do what is best for the entire state.

"This will be molded and shaped by you," he said.

The academic year provides a unique challenge to board members as several trustees' terms will expire. The challenge is to fill the positions so there will be no gaps in governance on the various campuses within the system.

The process of filling open terms is set to begin at the board meeting in September when the Committee on University Governance will formulate a plan to address the openings. Phillips said all board members should ensure the quality of trustees who are elected to serve on the various campuses.

"[Trustees] can and do make a difference in the lives of the universities they serve," Phillips said.

Graduation and retention rates were "critical measurements of (UNC's) success," Phillips said.

Board members have not taken any action for too long on graduation and retention rates, Phillips said.

That would change soon, he said.

In September, board members will receive a policy for approval on graduation rates. Board member Priscilla Taylor, chairwoman of the Committee on Educational Planning, Policies and Programs, said policies should be redefined. The proposed policy would establish graduation and retention rate

goals for each campus.

President Erskine Bowles said he expects to have information on a new policy for the tuition committee before the meeting in September. That will give the committee time to make recommendations for the full board.

This would come just weeks after a study by the North Carolina Center for Public Policy Research said UNC tuition increases could invite lawsuits for not adhering to the state constitution's mandates on the cost of public education.

Also in his report, Bowles updated members on the status of the committee considering how UNC can be more efficient in its operations.

The committee has determined expenses at each campus and formed groups that will look at systemwide issues, he said. He made no mention of what specific issues might be discussed in the meetings.

"We have made great progress," Bowles said.

UNC leaders plan to cut 10 percent of the General Administration budget, which will include the elimination of 12.5 jobs, after taking into account positions Bowles has added in his presidency. Bowles and system leaders received praise from the legislature and media for making the cuts after receiving a large budget increase from the legislature during the short session.

The meeting in August was also the last for former board member Willie Gilchrist, who served on the board since 2001. He resigned to assume a new position as deputy chancellor at Elizabeth City State University. Gilchrist will also become interim chancellor at the institution while it searches for a replacement. CJ

"[Trustees] can and do make a difference in the lives of the universities they serve."

Jim Phillips
Chairman
UNC Board of Governors

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Connerly to Speak at Conference

By SHANNON BLOSSER
Associate Editor

WARD CONNERLY, chairman of the American Civil Rights Institute, will be the keynote speaker at the annual Pope Center Conference on Oct. 14 at the Holiday Inn Brownstone in Raleigh.

This year's conference will be titled "Diversity: How Much and What Kinds Do Universities Need?" The conference will begin at 8:30 a.m. Discussions at the conference will focus on whether diversity education is beneficial, whether there is enough intellectual diversity, and whether law schools should strive for greater diversity.



Ward Connerly

Pope Center Executive Director George Leef said this year's conference would analyze one of the "hotter issues in higher education."

"This conference is going to bring together individuals with a highly diverse set of views about diversity, including some who think it greatly enhances a student's educational experience and some who think it is a harmful fad," Leef said. "The day promises to be one of great intellectual jousting."

The American Civil Rights Institute was founded by Connerly to educate the country about why education policies need to move away from race and gender policies. He is a former member of the University of California Board of Regents, where he served a 12-year term beginning in 1993 and ending last

"This conference is going to bring together individuals with a highly diverse set of views about diversity, including some who think it greatly enhances a student's educational experience and some who think it is a harmful fad."

George C. Leef
Executive Director
Pope Center

year.

During his time with the board, Connerly led the effort to pass Proposition 209, which forbids California state government and education institutions from discriminating against or giving preferential treatment based on race or gender. The measure passed by a 55-45 percent margin.

For his efforts on diversity issues, Connerly has appeared on "60 Minutes," "Hannity and Colmes," "Meet the Press," and "Dateline," among other television programs and media outlets.

Other speakers include Roger Clegg, president and general counsel for the Center for Equal Opportunity; Anne Neal, president of the American Council of Trustees and Alumni; Duke professor Mike Munger; and others. CJ

Claim fewer opportunities

Postseason Upsets Advocates

By SHANNON BLOSSER
Associate Editor

AFTER years of promoting increased participation for women in sports, advocates now say postseason participation rates are unfair and lean too heavily toward men.

According to some women's sports advocates, postseason opportunities for men outnumber those for women by about 1,000.

They say additions to the NCAA such as the Men's Postseason National Invitation Tournament, purchased by the NCAA before the start of the 2004-05 college basketball season, increase the disparity. However, the NCAA's purchase of the NIT only changed ownership and did not add new teams to the event.

Since 2002, the NIT has been run as a 40-team tournament. However,

starting this year it will be reduced to a 32-team format similar to what was the norm from 1980 to 2001. The Women's NIT remains a 40-team tournament that is not controlled by the NCAA. The NCAA men's basketball tournament is a 65-team field, compared to 64 for the women.

A group of college basketball coaches failed in its attempt this year to increase the size of the men's basketball tournament to 128.

Regardless, advocates for women's sports are basing their arguments on Title IX policies to seek balance. About 55 percent of the undergraduate population is female, while 41 percent of college athletes are female.

The NCAA and other groups are increasing marketing efforts in an effort to increase participation and support, which they believe will ultimately increase the number of women in sports. CJ

Commentary

Erskine Bowles' Serious Test

When Erskine Bowles, the business executive who had been President Bill Clinton's chief of staff, took over the UNC system in January, he proposed a visionary agenda. Among the top priorities was running the organization more efficiently and through the prism of his business experiences.

In the past weeks, we've seen some of the results of that agenda. Bowles said in early August that he plans to cut 10 percent, or \$1.3 million, of the UNC general administration budget. The move would eliminate 15.5 positions, half of which are currently filled, including four vice presidents and six associate vice presidents. However, when taking into account three new positions created by Bowles earlier this year, the net reduction of the cut is 12.5.

Higher education is high in labor cost, and about 80 percent of the UNC general administration budget in the past has gone toward personnel.

Other cuts in the proposal would include \$125,000 a year on payments for a King Air plane, which was used primarily by UNC officials and doctors. The plane will be sold by the foundation that owns it and replaced with two smaller aircraft.

Bowles, who was brought into the UNC system for his managerial expertise (among other reasons), said in a letter to UNC staff alerting them of the cut, that the move would help to "redirect every single dollar we possibly can to the classroom and to the 200,000 students we're responsible for educating."

The cuts have been a long time coming for the UNC system, which has had a history of growth, while UNC officials complain about tight fiscal constraints. Legislators have often criticized UNC for the expanse of its administrative system, but they still approved the system's financial requests.

In 2005, Sen. Robert Pittenger, R-Mecklenburg, questioned UNC system leaders, especially then-President Molly Broad, for having high administrative costs.

Officials in every institution in the UNC system, not just UNC's general administration, should ex-

amine their personnel budgets and ask, "Is this position truly needed in our efforts to educate students?" If a position does not lead to improving the education of students, then university leaders should consider eliminating the position or moving the program into other areas outside the university's budget areas and taxpayer funding.

Bowles should be credited for making this effort to cut spending, especially after the General Assembly approved a large increase in UNC funding to more than \$2.2 billion each year. In business, executives don't stop trying to improve efficiency just because

things are running profitably.

There are undoubtedly other parts of the UNC system where close scrutiny would find that state funds are being spent to little or no educational purpose.

Bowles has brought the community college system and the Department of Public Instruction to the table to improve communications and programs that affect all three organizations. UNC, under Bowles, has also moved to make the North Carolina School of Science and Math part of the system in an effort that will improve accountability.

In eight months, Bowles has proved that he's up to the job leading the UNC system. Students and taxpayers should hope that the changes that have been completed to improve efficiency are only the beginning.

There are still concerns throughout the system that Bowles and other university leaders should address in order to truly improve educational value throughout the system. First and foremost, that would mean ensuring that students who graduate are proficient in basic language and math skills.

Whittling away at unnecessary cost is a lot easier than changing an academic culture that has allowed attention to educational fundamentals to slide. That will be Bowles' most serious and long-running test. CJ

Shannon Blosser is a staff writer for the Pope Center for Higher Education Policy.

Course of the Month

Duke Tries to Locate 'Latino/as' On the Ethno-Racial Pentagon

Pope Center for Higher Education Policy Director George C. Leef often writes about the new academic field, "Whiteness Studies" (see Page 15). So far, according to Leef, no University of North Carolina school has entire courses devoted to Whiteness Studies, but some devote classroom time to the notion. For example, Leef mentioned a possible future CM winner, UNC-Chapel Hill's "Religion 156: Ethnicity, Race, and Religion in America," which addresses the burning religious question of, "How do Americans achieve whiteness?"

This month's honoree — a "literature" course at Duke University — isn't about Whiteness Studies, however. It wants to make that clear just from the course title, which is "Why Hispanics Are Not White."

A previous entry of Course of the Month listed several rhetorical devices used in course descriptions "to lend the air of legitimacy [to] classroom fluff." One of those devices identified was the "barrage of silly questions." Witness the torrential volley in this course description:

WHY HISPANICS ARE NOT WHITE? GLOBALIZATION AND LATINIDAD

The seminar could have been subtitled also "Globalization and Racism" since one of the main questions addressed in the seminar is "What kind of racial classification" is "being Latino/a"? Is it like being "Black or Afro", "Yellow or Asian", "Red or Indian" "White or Anglo-European"? And why Latino/a has a gender differentiation that we do not encounter in other names for classifying people according to their color or continent of reference. Apparently there are several "indicators" of racialization, like place of origin, skin color, religious (e.g., Latino/as are imagined as being Catholics while Anglos are imagined as being Protestant). And where are the Arab/ Islamic people in the ethno-racial pentagon (that is, the pentagon you find in any official form: White, Hispanics, Afro-America, Asian-Americans and Native-Americans)? And are Hispanics and Latino/as the same? But what about the rest of the world? Is the ethno-racial pentagon in the U.S., "applicable" to East

Asia, North Africa, Sub-Saharan Africa or South America? Where are these categories coming from, who invented them? Has "racism" been always there, from the "origin of the world" (in whatever myth or narrative currently available of such origin), or are they more recent, and are they located geo-historically? Are there any connections between Racism, Modernity and Capitalism? While "Hispanics/Latino/as" will

be the point of reference of the seminar (and the point is whether you can speak about racism from a non-racialized perspective; that is, from a perspective that will be pure spirit or mind, clean from any connection between "racism and knowledge", between "racism and epistemology", between "racism and the social sciences and the humani-

ties", between "racism and law and political economy", between "racism and women studies", etc.), the main goal of the seminar is to understand the interrelations between racism, power, modernity/coloniality and capitalism.

Astute readers will also have noticed another recurring course-description device identified in an earlier CM. That would be "the ever-present reductio ad marxiam: Professor Y posits Topic X, students discuss Topic X, Professor Y steers discussion into the same, old, tired waters of 'gender, material life and power' — and that's only because Professor Y teaches women's studies as opposed to an ethnic studies discipline (in which case, of course, he would steer the discussion into the old, tired waters of race, &c.)."

Or if Professor Y teaches a literature course, in which case he would first teach it as a women's or ethnic studies course, then steer the discussion into the stagnant waters — q.v., "Are there any connections between Racism, Modernity and Capitalism?" and "the main goal of the seminar is to understand the interrelations between racism, power, modernity / coloniality and capitalism." CJ

John Locke Foundation research editor Jon Sanders tracks down the monthly college course outrage.



Jon Sanders

UNC-CH, UNC-G Win LSAC Grant For Law School Diversity Review

By BRIAN SOPP
Editorial Intern

Faculty members of UNC-Chapel Hill, UNC-Greensboro, and UCLA have received a \$540,000 grant from the Law School Admission Council to continue their study of whether racial diversity in law schools generates educational benefits.

As highlighted by the Educational Diversity Project at the University of North Carolina-Chapel Hill, which is conducting the study, "controversy exists as to whether racial diversity offers measurable educational benefits in the law school setting and in the increasingly diverse workforce and society beyond law school." So it is important to discover the true effect of affirmative-action policies.

However, the timing and the background of the study's authors suggest that LSAC might have commissioned the study more to produce support for the belief that affirmative action is just and beneficial than to answer a perplexing question — is affirmative action really beneficial?

Law professor Charles E. Daye and psychology professor Abigail T. Panter of UNC-Chapel Hill; Dr. Walter R. Allen, professor of sociology and education at UCLA; and Dr. Linda F. Wightman, professor emerita of educational research at UNC-Greensboro, have already completed the first facet of the study, which involves following 8,500 students who entered about 70 law schools in fall 2004 and tracking their progress.

The grant was awarded by LSAC under its empirical research program, which awards grants for research about law schools, law students, and legal education. The council has awarded more than \$1 million to the project's comprehensive research study since 2004.

Charles Daye, former LSAC president, participated in the preparation of and co-signed the amicus brief that the UNC School of Law submitted to the U.S. Supreme Court in support of the University of Michigan School of Law in *Grutter v. Bollinger*.

One of his professional interests

is "assuring access to the legal profession by members of under-represented minority groups."

Wightman, former vice president of operations, testing, and research at LSAC, has done extensive educational research. One of her studies, "Are Other Things Essentially Equal? An Empirical Investigation of the Consequences of Including Race as a Factor in Law School Admission," featured on LSAC's Web site, concludes that "the data provide compelling evidence disputing the claim that including race as a factor in law school admission decisions resulted either in admitting students unqualified for the academic rigor of a legal education or in undermining the academic standards of participating institutions."

"[T]he data provide compelling evidence disputing the claim that including race as a factor in law school admission decisions resulted either in admitting students unqualified for the academic rigor of a legal education or in undermining the academic standards of participating institutions."

Dr. Linda F. Wightman
Former LSAC vice president

She came to this conclusion by avoiding "the misleading conclusions that can result from simple comparisons of total group performance, either on admission credentials or law school performance."

In addition to being strongly in favor of affirmative action, the researchers of the Educational Diversity Project say the study's methods will "provide further nuance, depth, and richness" to the study.

The grant comes shortly after Richard Sander, a law professor at UCLA, wrote a study, "The Racial Paradox of Corporate Law Firms," to be published in the next issue of the North Carolina Law Review. Sander concludes in his study that racial preferences in law firm hiring might actually hurt minority lawyers.

Sander is the author of "A Systemic Analysis of Affirmative Action in American Law Schools" in 2004. The report concluded that affirmative action in law school admissions hurts minorities.

By placing minority students in more elite schools than they would attend if academics were the only consideration, affirmative action has caused some of the disparity between minority and white law school dropout rates and bar passage rates.

Sander suggests that without affirmative action, there might be more minority lawyers. CJ

New trend in course offerings**'Whiteness Studies' Seek to Bond White Students in Group Guilt**

By **GEORGE C. LEEF**
Contributing Editor

For several decades now, American colleges and universities have been expanding their academic offerings to include courses in different species of identity politics: women's studies, African-American studies, Latino studies, queer studies, and more.

Whereas traditional academic fields were rooted in some distinct body of knowledge such as chemistry, mathematics, or economics, these new fields are not about transmitting knowledge so much as they're about transmitting the edgy and often intellectually shaky attitudes of the professors. Women's studies, for example, is mostly about trying to inculcate a sense of grievance in young, impressionable women, and that is accomplished with the use of some disreputable arguments about the supposedly discriminatory nature of our economic system.

Among the more recent of these new fields is "whiteness studies," which is built around the notion that being of "the white race" confers power and privilege in society. There is, however, a big difference between whiteness studies and the other identity fields. Instead of extolling a specific group as being worthy victims of an unjust society, the apparent aim of whiteness studies is to make white students feel that they are responsible for historical injustices; that "their" race is to blame for slavery, oppression, and genocide. "Minority" students are supposed to bond in a sense of group victimization, but white students are supposed to bond in a sense of group guilt.

Anyone who follows develop-

ments in higher education is aware that many professors in the social sciences have made their careers by trying to explain just about everything in terms of race, class, and gender. Following in that

tradition, "whiteness" scholars claim that the white race is actually a "social construct" that has been used for centuries as a rationalization for the privileges enjoyed by some and denied to others. The infamous Harvard professor Noel Ignatiev (infamous for his statement that the white race should be "abolished") says, "The white race is like a private club based on one huge assumption that all those who look white are, whatever their complaints or reservations, fundamentally loyal to the race."

Exactly how Ignatiev knows the beliefs of millions of other people is a mystery. My own great-grandfather, for example, was an immigrant from Sweden who worked as a day laborer in Minnesota. Did he feel "loyalty" to his race? No one in my family has any evidence about his views regarding race, politics, or anything else, but Ignatiev seems perfectly comfortable in asserting that he and millions of other European immigrants must have bought into the idea that, as "whites," they were entitled to a privileged existence in the United States. That academic careers can be based on such breezy theorizing as that is a testament to the sorry state of higher education.



Entire courses on whiteness are now taught at some schools. Within the UNC system, whiteness is merely a topic included in other courses. For example, at UNC-CH, among the top-

ics covered in the course "Religion 156: Ethnicity, Race, and Religion in America" is "How do Americans achieve whiteness"?

One of the academicians most associated with "whiteness studies" is University of Illinois professor David Roediger. In a recent article published in *The Chronicle of Higher Education*, he writes, "The critical study of whiteness emerged, from slave and American Indian traditions forward, from the idea that whiteness is a problem to be investigated and confronted."

We are therefore faced with this question: Why ascribe all of these evils to one race? Why not drop the trendy proclivity for analyzing social phenomena in terms of abstractions such as race and merely say that some individuals have always been ready to commit acts of aggression against others? It is not a racial characteristic we're dealing with, but a personal one. Occam's Razor counsels us against constructing complicated explanations where simple ones will do, and that takes the starch out of the whole business about "the social construction of whiteness." It isn't necessary to explain the facts.

Human beings throughout history

have devised lots of different phony justifications for oppressing others. Sometimes it has been religion, sometimes adherence to political ideology, sometimes allegiance to a ruler. Individuals of all races have done it, and individuals of all races have suffered from it. There is simply no reason to paint any group as pure or impure, just or unjust. Despite Ignatiev's assertion about racial "loyalty," people act as individuals, not like schools of fish.

"Whiteness" is a useless explanation for a real problem—the fact that it's possible for people to use the coercive power of the state to obtain unearned wealth and power for themselves.

An inherent weakness in democracy makes it quite feasible for groups of people with mutual economic interests to benefit at the expense of others. In the distant past, race was sometimes used as the excuse for such enactments, but today interest groups rely on different rationales, such as "consumer protection." The problem to be investigated and confronted is not whiteness, but rather what Frederic Bastiat called "legal plunder."

If professors want to toy around with vaporous theories such as "the construction of whiteness," they should confine their musings to academic journals. To visit such ideas on gullible students adds nothing to their knowledge but irresponsibly contributes to feelings of victimization among nonwhites and guilt among whites. It's educational malpractice. CJ

George C. Leef is executive director of the Pope Center for Higher Education Policy.

North Carolinians for Home Education

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Town and County

Guilford economic incentive

Guilford County is re-evaluating under what circumstances it will give incentives to companies that move to the county. The review comes after the county turned down a relatively small request from a large company that moved to the county anyway, the *News & Record* of Greensboro reports.

The county's original incentives guidelines, in force since 1994, based incentives upon the amount of infrastructure investment a company would undertake in the county. In 2004, Guilford County added a provision for awarding incentives for job creation when the county's unemployment rate was at 4.5 percent or above.

The county has granted more than \$10 million in incentives under the guidelines since 1993.

The review was prompted by the case of an out-of-state technology company that was interested in establishing a research and development plant in north High Point. The company had revenues of \$300 million last year. Though High Point awarded the company \$25,000 in incentives, county commissioners turned down the company's request for \$50,000 in incentives. The firm still is coming to High Point despite the county's action.

"I think the decision was made that maybe it wouldn't make that much of a difference," Dan Lynch, president of the Greensboro Economic Development Partnership, said to the newspaper after a meeting about the policy.

Pricey downtown Raleigh

Raleigh is attempting to revitalize its downtown. The idea is to have more people on the streets at night and more people living downtown. The city has opened Fayetteville Street to traffic and is building a new convention center. Raleigh is experiencing a building boom in downtown condominiums.

There's only one catch: Only residents with high incomes need apply to live downtown.

"Moderate-priced housing is a key element for a really successful downtown," Mayor Charles Meeker said to *The News & Observer* of Raleigh.

"So far, that element hasn't been filled out at all. That's part of the market that isn't being served but needs to be served for downtown to be successful."

The median price of a condominium sold this year in downtown Raleigh was \$343,000, a 33.5 percent increase over last year. CJ

Interstate Highway System Now 50 Years Old

By RANDAL O'TOOLE

Contributing Editor

BANDON, ORE.

Fifty years ago, on June 29, 1956, President Dwight D. Eisenhower signed the bill creating the Interstate Highway System, one of the most successful federal programs ever.

Interstates opened the country to the average family, who could not afford plane or train fares; they enabled rapid, low-cost movement of freight; and they greatly increased highway safety. But they also took far longer to complete than originally projected, and many of the routes, particularly in cities, were subject to acrimonious conflict.

Here are a few indicators of the success of the Interstate Highway System:

- Interstate highways make up less than 1.2 percent of the mileage of all roads in the United States, yet they carry nearly half of all heavy truck traffic and nearly one-fourth of all passenger traffic — that is, about 1 trillion passenger miles and more than half a trillion ton-miles of freight per year.

- Since the Interstate Highway System was created, per-capita miles of driving have tripled without any increase in the share of personal incomes spent on driving.

- When combined with freight containers — which, coincidentally, were also developed in 1956 (or 1955, depending on which history one reads) — the Interstate Highway System greatly contributed to the 90 percent reduction in shipping costs during the 20th century.

- As the safest roads in the nation, the interstates played a major role in the 76 percent reduction in auto fatality rates (from 60.5 to 14.5 fatalities per billion vehicle miles) experienced over the last 50 years. A decade ago, urban researcher Wendell Cox estimated that interstates saved more than 6,000 lives per year.

The Interstate Highway System was the classic product of the Progressive-era ideal of scientific managers running publicly owned programs in the public interest. Most Progressive programs began with a high level of esprit de corps that sooner or later descended into bureaucratic in-fighting, budget maximizing, and political pork-barreling.

Because of the way it was designed, the Interstate Highway System remained above the fray for longer than most such programs. Yet federal transportation policy ultimately succumbed to pork-barrel politics, so it is worth reviewing just why the highway system succeeded,



The interstate highway system contributed to a 90 percent reduction in shipping costs in the 20th century (CJ file photo)

while federal transportation spending today is mired in earmarks and rail projects.

What made the system so successful?

Three factors made the Interstate Highway System work: decentralization, the engineering mindset, and incentives. Although it was a federal program, the Interstate Highway System was actually planned, designed, built, and maintained by state highway departments. The Bureau of Public Roads, later the Federal Highway Administration, enforced minimum standards, such as lane width and curvature, most of which had been developed by the state engineers, but otherwise was little more than a pass-through funding agency.

State highway agencies were historically fairly independent from politics, having their own sources of funds in the form of state gas taxes and other highway user fees. Most states had highway commissioners appointed by their governors, but on-the-ground decisions were actually made by

the civil engineers who worked for the highway bureaus. As highway historian Bruce Seely said, the engineers were the policy-makers, at least from the 1920s through the early 1970s.

Engineers were exactly the type of scientific managers the Progressives had in mind when they advocated public ownership of roads, dams, and other resources. Engineers concentrated on things they could quantify, such as safety, efficiency, and durability. They established two clear goals for transportation improvements: safety and the efficient movement of passenger and

freight traffic.

Interstate highways were the highest expression of these goals.

Initially, incentives reinforced the engineering view. With their funding coming from gas taxes and other user fees, highway engineers had an incentive to build roads in places where they would be used.

They resisted pork-barrel attempts to build "roads to nowhere" because such roads would not generate enough usage to pay for themselves.

Congress added to this incentive with a formula distributing federal gas taxes to the states based on state populations and road miles.

While Congress tinkered with the formula when reauthorizing the gas tax every six years, once the formula was in place each state knew almost exactly how much federal funding it would get and would have an incentive to spend this money as effectively as possible.

Given congressional politics, such a formula seems inevitable. Yet Congress failed to create a similar formula when it started funding mass transit in 1964. Nor did it impose a formula when it started distributing a share of gas tax revenues to public transit agencies in 1981. With no formula in the law, the default transit formula became "first-come, first-served," leading transit agencies to seek the most expensive transit solutions they could find in order to get "their share" of federal transit funding.

Why did federal transportation policy fail?

When Congress passed the Federal-Aid Highway Act in 1956, engineers estimated they could build the entire system in 12 years for \$25 billion. In fact, the system was not declared complete until 35 years later at a total cost of \$114 billion. Even today, some short sections remain unfinished.

After the system was more or less complete, the money kept pouring in.

Continued as "Interstates", Page 17

Interstates Now 50 Years Old

Continued from Page 16

With no firm goal for the money, it might not be surprising that Congress turned highway funds into pork. The truth is a bit more subtle and involves the transfer of policy-making and planning power from engineers to urban planners. One reason for this transfer was the inflation of the 1960s and 1970s.

Induced by the Vietnam War, this inflation was largely responsible for both the delays and the increased construction costs. Inflation revealed that gasoline taxes were a poor method of funding highways because a cents-per-gallon tax could not keep up with increased construction, fuel, and other costs.

Things might have been better if the taxes had been charged on a percentage basis, rather than in cents per gallon. But even that would have proven inadequate when Americans responded to higher gas prices in the 1970s by buying more fuel-efficient cars. Between 1973 and 1983, total driving increased by more than 25 percent, yet the fuel consumed increased by only 5 percent.

Congress and the states raised gas taxes, of course. But increases failed to keep up with inflation and increased fuel efficiency. When motorists fill their gas tank today, they pay only half as much tax for every mile they drive as their parents paid in 1960. To make matters worse, inflation in construction costs was greater than the general rate of inflation.

Tolls are an obvious supplement to gas taxes. But, with the exception of routes that had been tolled before 1956, Congress forbade the use of tolls on interstate highways. With a shortfall in funds, construction slowed, but the growth in driving did not.

Environmental studies required after passage of the National Environmental Policy Act delayed construction and increased costs still further. When new urban interstates finally opened, they were quickly clogged by the previous growth in driving, leading to the myths that new roads induced driving and that cities "can't build their way out of congestion."

Today, many people believe that neighborhood-destroying interstates were imposed on cities by heartless engineers. The truth is that the engineers' original plan called for the interstates to bypass cities. It was only the intervention of big-city mayors and downtown interests that led Congress to amend the bill in 1956 to include interstates through

Earmarks in Highway Reauthorization Bills

Year	Number of Earmarks
1982	10
1987	152
1991	538
1998	1,850
2005	7,000*

* Approximate
Source: The Heritage Foundation

cities, not around them. The mayors and downtowns were supported by urban planners of the day who saw interstates as a way to clear slums that they believed were blighting the inner cities.

Would cities have been better off without freeways penetrating into the hearts of downtowns? Answering that question could take an entire book, but the short answer appears to be "no." The freeways did nothing to accelerate residential suburbanization, which began long before 1956. The freeways may actually have protected some jobs in downtown areas by reducing inner-city congestion, but they encouraged the growth of other jobs in suburban areas at the intersections of beltline roads and radial roads.

In any case, controversies over freeway locations, increased costs, and the apparent failure of freeways to reduce congestion caused engineers to fall out of favor. Urban planners promised they could do better than the engineers at accounting for the "public interest," such as the effects of transportation on land uses, air pollution, watersheds, neighborhoods, and other resources.

Unlike the engineering standards of safety, speed, and durability, however, planners had no scientific way of measuring the public interest. In 1950, in a book published by the Bureau of Public Roads to promote the idea of an interstate highway system, economist Shorey Peterson argued that it was best to stick to readily quantifiable engineering standards. Attempting to account for "the public interest," Peterson noted, would lead to "the wildest and most irreconcilable differences of opinion" and make transportation funds "peculiarly subject to 'pork barrel' political grab-

Continued as "Interstate", Page 18

Commentary

Striving For Efficiency

One of the most wonderful aspects of being at the John Locke Foundation is being able to debate fellow employees who have a broad base of experience, strong philosophical beliefs, and a unique historical perspective. Most recently, lead local-government policy analyst Michael Sanera and I had a stimulating exchange about consolidating local government by merging city and county functions, as was being debated in Fayetteville in mid-August.

On the one hand it can be argued, as Sanera did, that governments, in many respects, are monopolies and that they do not strive to serve in efficient ways. "Economists define efficiency as 'a measure of how well an allocation system satisfies people's wants and desires.' In government, wants and desires are measured imperfectly by the political system," he said. Elected officials make decisions about local policy that have little to do with efficiency or delivering a better product, he said. His point is well taken. If there is a strong group advocating using a less-efficient product or service, and the majority of a board votes as such, then the policy isn't about efficiency, but about political favoritism.

But there are times when one has to look beyond an economist's perception of efficiency. One of Sanera's statements is not necessarily true: "In government, wants and desires are measured imperfectly by the political system." While many folks may think it, that is not the case, especially at the local level. You can measure all manner of performance at the local level. You can measure how many lots a tax appraiser gets to in a given amount of time, how much money child support agents can derive from a given client list, you can measure how many meters a water analyst can get to in a given amount of time, how long a patrolman takes to cover a beat over time. But to do so takes a great deal of focus by not only managers, but elected officials

as well. That is the cornerstone of the "performance management" movement nationwide.

Many efficiencies of customer service, output, or simply delivery of product (such as water) can be measured. At the same time it is understandable why many people feel as Sanera does, that "government is not responding to basic wants and desires of citizens." My wife works in child support, and she responds to the wants and needs of her clients' children. Food-stamp officials respond to the "needs and wants" of their clients. Police and firefighters respond to the "needs and wants" of the citizens. But they do not always do so with efficiency and costs in mind.

The real goal of local government should be to deliver services not done so by the private sector at a high level for the lowest cost.

Local government exists out of necessity (not always, and they do much they shouldn't do like golf courses, etc). But all local governments should examine ways to deal with the public that pay the bills ef-

fectively, efficiently, and with a high level of service.

Mecklenburg and Gastonia have been experimenting with consolidating law enforcement. Camden County recently received permission from the General Assembly to act as a city and/or a county (it has no municipalities). Debating the merits of consolidating services is healthy across the state. Once elected officials, police chiefs, managers, and departments can get past turf battles and power-base arguments, they might actually find they can save money and deliver to the public a higher level of service. Whether you're elected or employed in local government, the will and desire to improve should be constant. CJ

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



Chad Adams

[T]here are times when one has to look beyond an economist's perception of efficiency.

From Cherokee to Currituck

Durham Seeks Ways to Fund a New Performing Arts Center

By MICHAEL LOWREY
Associate Editor

DURHAM
Durham city officials continue to search for ways to cover cost increases in a proposed performing arts center. The latest possibilities include asking Durham County and Duke University to contribute more to the project.

Earlier this year, the cost estimate for the 2,800-seat building jumped from \$32.5 million to \$44 million. The city has been trying to find additional funding since then.

The city has asked the county to contribute its share of projected profits from a proposed parking deck next to the performing arts center. The city estimates that the county's share will total \$201,500 a year. Every \$100,000 a year in future revenue stream allows the city to issue \$1.3 million in additional certificates of participation to fund the center.

"My position would be that I wouldn't be willing to put tax revenue in," Durham County Commissioners Chairwoman Ellen Reckhow told *The Herald-Sun* of Durham. "If the numbers for parking deck revenue allow for some leeway, I might be willing to consider it."

A Duke University spokesman confirmed to the newspaper that the school had been asked to provide additional funding. The university has already committed \$5.5 million to the



Durham's proposed performing arts center would be located in the left foreground above, across from the American Tobacco Campus at right and just north of the Durham Bulls Athletic Park, visible at top (CJ photo)

performing arts center.

Separately, the General Assembly has given the city an extension of 10 months, until July, to begin construction on the building. The city hopes to begin work in October.

CATS cost estimates in

Charlotte Area Transit System officials have released cost estimates for two of the city's five proposed transit corridors. The large projected costs of

rail lines make it likely that bus transit will be used for the lines, if they are ever built.

CATS estimates that a 12.7 mile, \$585 million light-rail line along Independence Boulevard (U.S. 74) would carry 14,400 people a day in 2030. A dedicated busway, by comparison, would cost \$315 million to \$325 million and, according to the system's modeling, carry slightly more passengers.

Building a streetcar line to Charlotte Douglas International Airport is also likely a nonstarter. The line, projected to cost \$185 million, would carry only 3,800 people a day in 2030. Transit chief Ron Tober has also suggested that system officials reconsider how far the Wilkinson Boulevard line will run.

Residents and civic leaders hoping for rail to their side of town were dismayed by the projections.

"All you have to do is look at the south corridor. If that had been (a busway), you would not have had the investment we're having," City Councilmember Nancy Carter, who represents the Independence Boulevard area, said to *The Charlotte Observer*.

Charlotte Mayor Pat McCrory rejected such arguments.

"It's not about fairness. It's about effectiveness and efficiency."

Chatham contract snafu

Chatham County recently gave its

county manager a contract. And, as *The News & Observer* of Raleigh reports, the county commissioner who suggested the idea already regrets it, for the terms have proven to be generous.

Charlie Horne is a 10-year employee of the county and currently its county manager. County Commissioner Mike Cross thought it would be a good idea to reward him with a contract. The other four members of the commission agreed with Cross.

"Anybody in their right mind would like to get a contract," said Horne in an interview with the newspaper. "[The board] wanted to do it now, and that was fine with me."

What Cross and the other commissioners did catch was that some of the wording in the contract wasn't exactly in the county's favor. The contract runs for four years. If the county wants to get rid of Horne before the contract is up, it's required to buy him out in full.

Given that Horne makes \$116,000 a year, plus a \$7,800 a year in car allowance and has accumulated substantial amounts of vacation and sick leave, the total sum could be quite large. For example, should the incoming county commission choose to replace Horne, his buyout would exceed \$500,000.

"I accept responsibility, ... and I sincerely apologize for the mental grief this is causing," Cross said in an e-mail to constituents after the terms became clear. CJ

Interstate Highway System Reaches Half-Century Milestone

Continued from Page 17

bing."

Peterson's prediction came true. Before 1980, Congress left road location decisions to state engineers. In 1981, however, it included a handful of earmarks, or pork-barrel projects, in its transportation bill. These steadily grew to about 7,000 earmarks in the 2005 bill. By placing politics above efficiency, the earmarks effectively reduce the effectiveness of federal transportation spending.

Meanwhile, with no scientific basis for the comprehensive planning they had promised, many planners decided their role was simply to get people to drive less. They traded away safe and efficient transportation in order to increase congestion and transfer highway money to expensive transit projects, ideas that gained them the support of transit agencies and rail construction companies.

Despite the problems, Congress ratified the takeover by urban planners when it imposed a comprehensive planning process on state and regional trans-

portation agencies in 1991 and allowed metropolitan areas to spend "flexible funds" on either roads or transit. At the same time, Congress allowed states to start tolling federally funded roads. Although experiments in such tolling began slowly, new tolled interstates can now be found in Colorado, Minnesota, Texas, and other states.

What should Congress do next?

Congress will reauthorize the gasoline tax in about four years and the debate has already begun about what new policies should be included in this law. Some people think Congress should repeal the gas tax and get out of transportation funding altogether. Others think Congress should develop a grandiose, 21st century version of the Interstate Highway System. Between these two extremes, here are a few things that should be considered based on the lessons of the last 50 years.

1. Congress should repeal all of the long-range transportation planning requirements it has imposed on states and regions. At best, these requirements

delayed congestion relief, and at worst they created opportunities for special-interest groups to control regional transportation policy to the detriment of the residents of those regions.

2. Instead of long-range planning, Congress should emphasize that the No. 1 priority of federal transportation funding is safety and the No. 2 priority is the efficient movement of passengers and freight.

3. Congress should also repeal the legal ties between federal transportation funding and air pollution. The evidence clearly shows that pollution is reduced by controlling emissions at the tailpipe, not by attempting to control how much people drive through transportation planning.

4. To restore decentralized decisionmaking, Congress should resist the admittedly powerful temptation to earmark the next transportation bill. Earmarks are necessary only to override local judgments about the best way to spend funds, and in most cases local judgments are likely to be better than the opinions of politicians and central planners, especially if the local judges

base their decisions on quantitative criteria such as safety and efficiency rather than subjective attitudes such as that transit is morally superior to autos or that highways reduce people's sense of community.

5. Congress should eliminate flexible funds and distribute federal transit funds based on the populations and annual number of transit riders in each metropolitan area. Including transit ridership in the formula will give transit agencies incentives to fund projects that will cost effectively increase ridership.

6. Congress should consider replacing the 90-10 formula under which federal gas taxes pay for 90 percent of interstate highway construction of interstates. A 50-50 formula would spread federal funds to more roads and give more states incentives to consider innovative ways of providing the local match, such as tolls.

These steps would improve the effectiveness of federal transportation dollars, restore control of transportation decisions to engineers, and reduce the incentive to use highway user fees as pork barrel. CJ

Toll Roads Gain Headway as Highway Funding Method

By MICHAEL LOWREY
Associate Editor

CHARLOTTE

In 2002, the General Assembly created the N.C. Turnpike Authority. Judging by the projects originally envisioned, the idea was to use tolls to build expensive, otherwise unfunded projects decades sooner than would otherwise be possible.

Recent developments, however, suggest that different types of highway projects will be built as — or converted to — turnpikes than appeared likely only a year ago, including existing highways and projects with identified funding sources.

When created in 2002, the NCTA was authorized to build three toll roads. By 2005, however, the NCTA had come up with at least four possibly feasible toll road routes.

Though the agency also had the authority to identify and conduct preliminary design work on up to three additional routes beyond the three it could build, the NCTA sought legislative approval to build, and not merely plan, the additional routes.

The legislature did the turnpike board three better, authorizing up to a total of nine toll roads in the state.

In August 2006, the Assembly weighed in on toll roads again. It specifically approved six turnpike corridors, most of which had already been identified by the NCTA. The most remarkable of these routes involved two proposed toll roads in Durham and Wake counties, and represented a significant shift in state highway policy.

Among the highways the state had looked into building as a toll road was the Triangle Parkway, a four-mile extension of N.C. 147 (the Durham Expressway) from Interstate 40 to I-540

and perhaps beyond to the McCrimmon Parkway. The NCTA hired a consulting firm to do a preliminary analysis of the project's viability. Its conclusion was that the proposed parkway would almost work as a toll road.

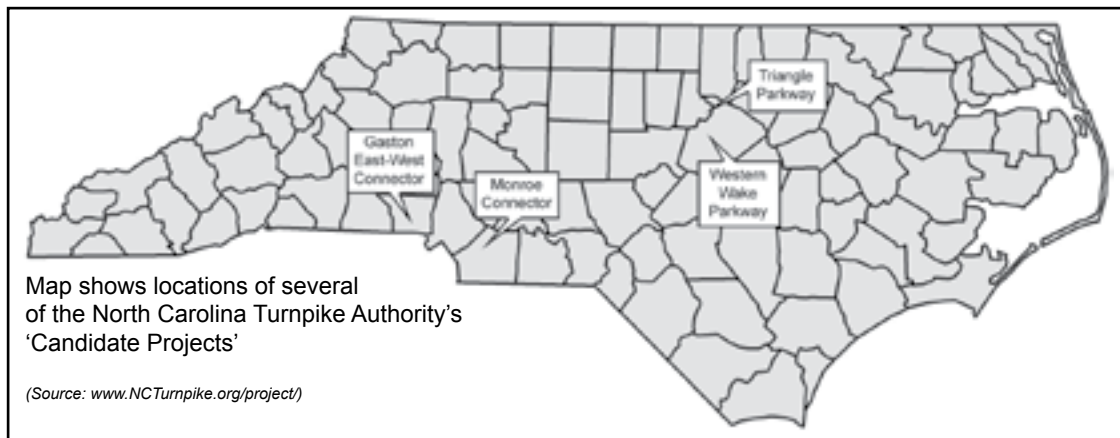
"Tolls potentially can cover a significant portion (but not all of) project costs," wrote WilburSmith Associates in its study completed in March 2006.

Separately, several Wake County mayors approached the NCTA about possibly speeding up the construction of the Western and Southern Wake Parkway, the 12.7-mile segment of I-540 (Raleigh Outer Loop) between its inter-

changes with N.C. 55 (Research Triangle Park and Holly Springs). Construction would otherwise have been set to begin in 2012 with Highway Trust Fund urban loop money.

In August, the legislature responded by authorizing the NCTA to do the projects — with a twist. To provide the additional bonding capacity needed, the legislature authorized a toll for the section of I-540 currently under construction between N.C. 54 and N.C. 55 and scheduled to open next year.

"This little section of I-540 brings



Map shows locations of several of the North Carolina Turnpike Authority's 'Candidate Projects'

(Source: www.NCTurnpike.org/project/)

\$125 million to the table we would not otherwise have," NCTA Director David W. Joyner said to *The News & Observer* of Raleigh. Not only does it keep the toll rates down, but it could be the difference between making the project work or not."

The imposition of a toll on an existing road was, however, explicitly prohibited in the original legislation establishing the NCTA. To get around that, the Assembly specifically included an exception authorizing the tolling of the nearly complete portion of I-540.

Construction of the parkways could begin as soon as next year and be complete by 2011 if built as toll projects.

Also in August, the NCTA released a preliminary study on the Monroe Connector, what had previously been a toll link between the Charlotte Outer

Belt (I-485) and the proposed Monroe Bypass.

The Monroe Bypass, which would run from Indian Trail north of Monroe to Marshville and is designed to take traffic off heavily congested U.S. 74 through Monroe, has hit a variety of problems, and construction has been delayed several times.

State officials hope to start work on the eastern segment, from Marshville to U.S. 601 north of Monroe, next year. The entire bypass, but not the connector, qualifies for funding from the Highway Trust Fund as an intrastate highway project.

The NCTA proposes a radically different approach. The connector and bypass would become a single 21-mile-long highway running from I-485 and intersecting with U.S. 74 near Marshville.

The study presents two options: building the entire road as a turnpike, including the U.S. 601 to Marshville stretch set to begin construction next year as a free road, or making the I-485 to U.S. 601 stretch a toll road and building the U.S. 601 to Marshville stretch as a free road.

In either case, a much greater stretch of highway would be a turnpike than was previously envisioned. CJ

"Tolls potentially can cover a significant portion (but not all of) project costs."

March 2006 toll road study by Wilbur Smith Associates

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From the Liberty Library

• Today, many major U.S. corporations have a "dirty little secret," says investigative reporter Tim Carney: They would like to abandon the American tradition of free enterprise. Together with elected officials, some big businesses are doing everything possible to replace America's robust free market with a web of government handouts, stricter regulation, higher taxes, and other special favors to choke off competition — leaving consumers with higher prices and fewer options while driving taxes skyward. In *The Big Ripoff: How Big Business and Big Government Steal Your Money*, Carney gets behind the sensationalist ideological wars and reveals how politicians from both the left and right are helping government and its agencies conspire with "capitalists" to get rid of capitalism. Learn more at www.wiley.com.

• In *Don't Tread on Me: A 400-Year History of America at War, from Indian Fighting to Terrorist Hunting*, H.W. Crocker unfolds 400 years of American military history, revealing how Americans were born Indian fighters whose military prowess carved out first a continental and then a global empire — a "Pax Americana that has been a benefit to the world." From the 17th century on, he argues, Americans have shown a jealous regard for their freedom—and have backed it up with an unheralded skill in small-unit combat operations. He shows that Americans were born to the foam, too, with a mastery of naval gunnery and tactics that allowed America's Navy, even in its infancy, to defeat French and British warships and expand American commerce on the seas. Available at www.randomhouse.com/crown.

• *Neoconservatism: Why We Need It* is a defense of the most controversial political philosophy of our era. Douglas Murray takes a fresh look at the movement that replaced Great-Society liberalism, helped Ronald Reagan bring down the Wall, and provided the intellectual rationale for the Bush administration's War on Terror. While others blame it for foreign policy failures and attack it as a "Jewish cabal," Murray argues that the West needs neoconservatism more than ever. In addition to explaining what neoconservatism is and where it came from, he argues that this American-born response to the failed policies of the 1960s is the best approach to foreign affairs, not only for the United States but also for Britain and the West as well. At www.encounterbooks.com. CJ

Book Review

Facts Are Inconvenient for Gore's Enviro Tome

• Al Gore: *An Inconvenient Truth: The Planetary Emergency of Global Warming and What We Can Do About It*; Rodale; 2006; 325 pp; \$21.95

By GEORGE M. STEPHENS

Contributing Editor

RALEIGH
In 1992 Sen. Al Gore published *Earth in the Balance: Ecology and the Human Spirit*. He was on a "moral crusade" to alert people to the ecological catastrophe he believed resulted from the release of "greenhouse" gasses. Global temperature had increased by almost one degree Centigrade in the last 100 years. He cited a troubling list of ecological problems he believed derived from this release.

His solutions were troubling, too, because he prescribed costly regulation by government, which would seriously damage the economy. For example, Dr. Thomas Wigley, of the U.S. National Center for Scientific Research, calculated that the international Kyoto Protocol (carbon curbs), which Gore favored, would reduce the increase in temperature by only 0.18 to 0.37 degrees Fahrenheit in 100 years.

The U.S. Energy Information Agency and Wharton Econometric Forecasting Associates found that Kyoto would cause an annual reduction of 4 percent in Gross Domestic Product, a 53 percent increase in gasoline prices, 83 percent increase in electricity prices, and 147 percent increase in natural-gas prices.

It would generate an annual net loss of more than two million jobs, 100,000 in North Carolina. Gore, without analysis, asserts the economic benefit that jobs would be created by the switch to a "green" economy (no mention of costs). An Environmental Defense report on a "cap" plan for emissions was made to show benefits because it ignored costs, Dr. Roy Cordato of the John Locke Foundation reported.

A reason why Kyoto would not be effective and would cost so much may lie in the fact that climate change existed long before modern history. The National Geophysical Data Center has documented the fact that the amount of energy from the sun varies over decades, which greatly affects the Earth's temperature. The situation calls for a lot more research and understanding.

Earth in the Balance was pretty dry reading, so Gore's wife, Tipper, suggested that he put together a new kind of book with pictures and graphics. Thus, *An Inconvenient Truth* is a moral crusade rather than serious science. He also made a film by the same name. In both he explains that greenhouse gases such as carbon dioxide, methane, nitrous oxide, and water vapor keep the Earth at a temperature livable for humans, but man's activities are changing the



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balance. Further, he says that the United States is responsible for more greenhouse gas pollution than South America, Africa, the Middle East, Australia, Japan, and Asia combined.

Climatologist Patrick Michaels does not dispute that there is global warming, primarily caused by humans. He emphasizes, however, that future warming will be moderate, that there is nothing that can be done by carbon mitigation that would have an effect for over a century, and that the costs of it will far outweigh the benefits.

Much of the book calls attention to what Gore believes to be the consequences: retreating glaciers; more frequent, more powerful hurricanes; floods; droughts; melting of arctic ice and of permafrost; saltier water; shifts in

seasons; bark beetles; dying coral reefs; insects; diseases; logging; fire damage; mining; and irrigation as examples.

Time-lapse pictures show the disappearing East Antarctic Ice Shelf, and Gore says that if the West Shelf slipped off its continental moorings it would raise the sea 20 feet worldwide. The melting of Greenland's ice would have the same effect. Aerial photos show the potentially altered shorelines, moved inland by yards in Manhattan to miles in Bangladesh.

Earth in the Balance prescribed a list of mandatory policies, such as higher fuel-mileage requirements for motor vehicles and efficiency standards throughout the economy. Apparently having learned that Americans were not going to follow them, he takes a softer approach in *An Inconvenient Truth* and includes a list of changes that "can bring emissions down to a point below 1970s levels," such as more efficient heating and cooling systems and building design, auto fuel efficiency, mass transit, wind, biofuels, and reduction of excess carbon. Gore takes the list from the "Socolow/Pacala" study. He does not tell us that the study's recommendations included converting to nuclear power, which is clean and has little waste because it is recycled. Europe is doing it.

He includes a list of measures individuals can take, such as using fluorescent light bulbs, insulating homes, turning up thermostats in summer and down in winter, setting water heaters at 120 degrees, buying fuel-efficient vehicles, telecommuting, and walking. If many people adopted his measures the effect would be significant, so the raising of awareness is a benefit of his book and film.

Gore mentions scientific consensus in favor of his position. He quotes the editor in chief of *Science* magazine: "Consensus as strong as the one that has developed around this topic is rare in science."

However, a *Wall Street Journal* article, "There Is No Consensus on Global Warming" by Dr. Richard S. Lindzen, professor of Atmospheric Science at the Massachusetts Institute of Technology, quoted Gore himself to the effect that "scientists don't know." Lindzen says that the Arctic was as warm or warmer in 1940 and that evidence suggests that the Greenland ice sheet is growing and might be pushing ice off the edge. Since 1970 many glaciers have stopped retreating, and some are advancing.

Questions are being hotly argued within the profession. Bjorn Lomborg, author of *The Skeptical Environmentalist* notes that United Nations officials say that the sea-level change will be one or two feet, not 20. He also says that environmental groups scare us to raise money for their salaries — an inconvenient truth. CJ

Political Disagreements Handled Quite Differently in 1802 N.C.

When a politician switches political parties today, many times his or her defection gives one side cause to issue three “hurrahs” and unwarranted praise concerning the open-mindedness of the decision, while the other side boos and hisses and vilifies its former compatriot.

Allegations of party defection and questioning the loyalty of a party member in early 1800s North Carolina were enough cause for a duel

— at least they were for former Gov. Richard Dobbs Spaight and state legislator John Stanly, both of New Bern.

Outdoing any staged violence on “Monday Night RAW” or the increasingly popular mixed-martial arts pummeling exhibited on “UFC,” lower-class Tar Heels settled their differences with duels that showcased the wielding of Bowie knives and the finger gouging of eyes. The elite, however, settled their differences with

pistols and accompanying seconds, who ensured that both participants fired weapons of equal destruction.

Many times duels ended in death or with the honor of the offended party having been satisfied. The supposedly offended said when that was.

The Spaight-Stanly duel occurred because Stanly allegedly dishonored Spaight during the heated campaign for a legislative seat in 1802. The former governor’s recent conversion to Democrat-Republican principles had prompted insults from Stanly, also a Democratic-Republican, who questioned Spaight’s loyalty.

All of this was hearsay, by the way. But the word of others was never questioned.

In a lengthy correspondence, both seized their quills to claim that the other’s allegations were “falsenesses” and that offended gentlemen deserved satisfaction. After the correspondence, the matter seemed settled — especially when the two agreed to publish their letters in the *New Bern Gazette* so that (no doubt) voters and neighbors could be informed and gossips would be silenced.

Spaight, however, took the

liberty to add some commentary that affronted Stanly, and a media blitz of insults ensued.

The gentlemen answered each other with incessant insulting, which the *Gazette* seemed to publish without hesitation. But seeking the advantage in debate and apparently claiming the moral high ground, Stanly paid for the printing of a handbill that condemned Spaight’s false bravado and “unmanly” actions. Spaight subsequently acted in kind, paying for the distribution of a handbill denouncing Stanly’s impudent lies and essentially disreputable and immoral behavior.

No doubt fueled by a gentleman’s ego and sense of honor, and a concern of what others thought about them, the two met behind the Masonic Hall to duel for satisfaction and the restoration of honor.

After their pistols were checked and approved, both fired and missed. A second try proved equally unsuccessful. A third proved them once again to be poor shots (although one of the previous shots had narrowly missed Stanly and clipped his coat collar).

Stanly knew his fourth shot found its mark, as the former gover-

nor grasped his side. The next day, Spaight died.

In November 1802, the legislature outlawed dueling and declared that culprits from then on would be fined heavily and barred from public office. If a death resulted from a duel, the victor would be satisfied with his restored honor only for a short time, for the General Assembly declared that he and his second would be hanged and would not be allowed to have the counsel and consolation of the clergy minutes before execution.

Then and now, political struggles and debate often bring out the worst in people, and a resolution is needed. Thankfully, it is now unlawful to shoot someone to settle a difference, but the personal pettiness that is saturating the political process makes me long for the spirit of the good ol’ days to be placed in a modern-day boxing ring, where the disgruntled could find satisfaction and then get on with the business of genuine debate.

CJ

Dr. Troy Kickler is director of the North Carolina History Project.



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Short Takes on Culture

Oliver Stone Surprises Us

• "World Trade Center"
Paramount Pictures
Directed by Oliver Stone

There are no political statements or conspiracies in this well-crafted film. When Oliver Stone is associated with a movie, this is a relevant concern. Instead, Stone helps to tell the real-life story of two Port Authority police officers (played by Nicolas Cage and Michael Pena) who survived the collapse of the first tower.

The film takes us into the rubble as both officers try to find a way to stave off death. A movie couldn't be sustained, though, by focusing on the two officers alone. The movie also explores the impact that the events are having on the officers' families.

By focusing on a narrow set of characters and their specific experiences, the film risks not putting the events of Sept. 11 in context. Some critics have pointed out that this decision makes the film feel no different than any other rescue film. However, this risk pays off.

There certainly is enough conveyed about Sept. 11, and it is a fair assumption that the audience doesn't need to be constantly reminded of those day's events.

Stone's smartest decision is following the actions of characters that selflessly made their way down to the WTC to assist in any way they could. Ultimately, this is what "World Trade Center" is about: a film exploring the "positives" of Sept. 11, if that is even possible.

It is a moving, albeit sometimes slow, exploration of how people can come together when faced with tragedy.

— DAREN BAKST

'Vendetta' sends a message

• "V for Vendetta"
Warner Home Video
Directed by James McTeigue

Written for the big screen by the Wachowski brothers, "V for Vendetta" is yet another in a long line of well-done Orwellian movies. John Hurt, of "1984" fame, plays a prime minister eerily reminiscent of the Big Brother in the 1984 Apple commercials.

Adapted from the Marvel comic of the same name, the film takes place a few decades in the future where an overly zealous government leader presides amid the actions of a terrorist known simply as "V," who is a

not-so-heroic victim turned vigilante, spouting Shakespeare while donning a mask of the infamous Guy Fawkes and taking on the establishment. (Fawkes is the man caught trying to blow up Parliament on Nov. 5, 1605, hence the poem.)

The film does a great job of making viewers feel somewhat uncomfortable accepting government authority. The BBC is now the BTC and spews forth government-approved news items.

At one point, Natalie Portman, the heroine, looks at the screen and says: "She's lying, she always blinks a lot when she lies." It's a good moment when the news tries to explain the death of Britain's version of Rush Limbaugh.

Lest you think it's all about bashing the right, it's not. The film's message seems to be simply: Question authority, challenge it, and make the system accountable.

— CHAD ADAMS

Revoing 'Agnes Nutter'

• *Good Omens: The Nice and Accurate Prophecies of Agnes Nutter, Witch*
HarperCollins Publishing
By Neil Gaiman & Terry Pratchett

What if the world were to end on Saturday and the only thing that could save us all from Armageddon was the cooperation of two agents from opposite sides of the war between good and evil?

Oh, yes, and all of this was nicely and accurately seen 400 years ago by a witch named Agnes Nutter.

In a decidedly British novel following the tradition of Monty Python and Douglas Adams, Neil Gaiman (*Sandman*, *American Gods*) and Terry Pratchett (*Discworld*) have together written the comic adventure to end all time. Along the way they make astutely conservative observations on human nature, free will, the nature of evil, and the music of Queen.

If this sounds familiar, you are not experiencing déjà vu. You really did read the book before. It was first published in 1992. It apparently did not become the enduring classic one might expect and has been out of print for some time.

We are that much more fortunate then, that Terry Gilliam has decided to make a movie version of *Good Omens* and thus rescue it from nearly complete and completely undeserved obscurity.

— JOSEPH COLETTI CJ

Book Review

Masterless Ideal for Scholars

• Wilfred M. McClay: *The Masterless: Self and Society in Modern America*; The University of North Carolina Press; 1993; 366pp; \$24.95 Paperback

By MELISSA MITCHELL
Contributing Editor

RALEIGH

In writing *The Masterless: Self and Society in Modern America*, author and historian Wilfred McClay says, "Like many books, it began less with an idea than with a question—or rather, a problem." The question that perplexes McClay is that Americans are accused of two national character traits, or faults. They are accused of either being too individualistic or too conformist. McClay sees both assessments as valid and assumes that there is a middle ground.

In addressing the evolution and tension between individualism and social cohesion, McClay becomes not just a history scholar; he becomes an English scholar, a theologian, a sociologist, a psychologist, and an economist. By analyzing a variety of intellectual writers, religious beliefs, and societal thoughts, McClay shows how Americans' concept of individualism and conformism changed after the Civil War, World War I, WW II, the Vietnam War, and continues to change.

McClay uses the Civil War's Grand Review as a starting point to illustrate a national unity that runs through the 19th century. When the Union army formed four years earlier, it was a mismatched ragtag group of individuals. The Union Army of the Grand Review was now a unified, magnificent army. It was an undulating field of 200,000 blue-clad warriors, marching in unison. The Parade of Union soldiers continued for two days with many observers never leaving the spot where they stood. McClay quotes William James on the unification of the Civil War. "The Civil War was the greatest of all social organizers," James says.

But war does not always unify, so McClay's dilemma remains. Can individualism and conformity coexist?

To address this question, McClay turns to writers and intellectuals such as: Alexis de Tocqueville, Ralph Waldo Emerson, Walt Whitman, Edward Bellamy (*Looking Backward*), David Riesman (*The Lonely Crowd*), Hanna Arendt, Betty Friedan, and Norman Mailer. The writers, intellectuals, and ideas listed here represent only a minor portion of McClay's award-winning work.

De Tocqueville was influenced by his French background and the failure of democracy in France. He saw much of what could go wrong in America, seeing America's equality as a real danger, which could lead to a lack of individualism.

Emerson and Whitman celebrated individualism. "If Emerson was the



philosopher of zealous, stubborn American individualism, then Whitman was its poet," McClay says. Both writers saw and celebrated the capacity of the individual.

In *Looking Backward*, Bellamy's novel paints a picture of a 20th century utopia where all of the problems of the 19th century are solved, but the picture Bellamy presents is more socialistic than utopic. In his work, individuals are sacrificing their all for the good of society.

By the time McClay gets to the intellectual writers of the 20th century, the idea of a utopian society where the government rules all has seen the results of communism and fascism, and many of the intellectual writers cited by McClay have been influenced by the two World Wars. In *Totalitarianism: The Inversion of Politics*, Arendt, who experienced Nazism, warned of these terrifying new forms of thought.

McClay points out that post WWII social thought was dominated by Riesman's, *The Lonely Crowd*. Americans were asking, are you an inner-directed individual who has the courage to go his own way or an other-directed person who strives to please others and reflect the public consensus? Betty Friedan's *Feminine Mystique*, where she compared housewives to concentration-camp victims, added another layer to American thought.

McClay ends his book with this thought: "History cannot predict the future, nor does it present many obvious practical lessons. But it does teach one lesson incomparably well: that things were once very different from the way they are now."

The Masterless is a book for the serious history scholar. It would be a wonderful classroom textbook, and it is ideal for reading and discussion groups. CJ

Plowshares & Pork Barrels Exposes Ag Policy Folly

• E.C. Pasour Jr. and Randal R. Rucker: *Plowshares & Pork Barrels: The Political Economy of Agriculture*; Independent Institute; 2005; 328 pp; \$22.95

By **GEORGE C. LEEF**
Contributing Editor

RALEIGH

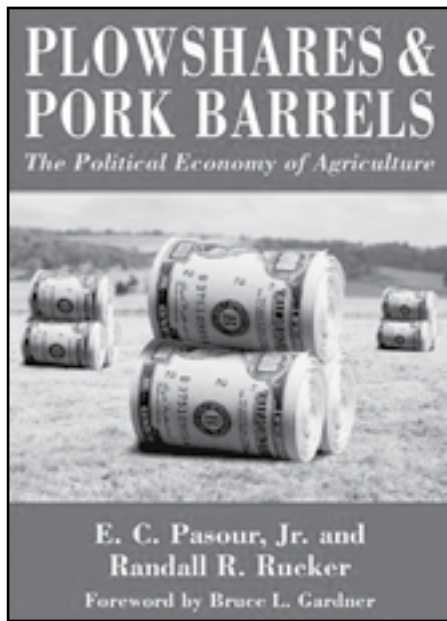
In 1887, President Grover Cleveland vetoed a bill that had been passed by Congress providing funds to buy seed for Texas farmers who had been hit with a drought. Cleveland's reason for the veto had nothing to do with his feelings toward farmers or the extent to which they needed help. It was simply that there was no constitutional warrant for the expenditure. If Cleveland's fidelity to the letter of the Constitution had held true with future presidents, the United States could have avoided one of the most wasteful and foolish of all governmental interventions in the free market economy, namely agricultural programs.

With their book *Plowshares & Pork Barrels*, professors E. C. Pasour and Randal Rucker (both of North Carolina State University, among other affiliations), have given us a comprehensive picture of the numerous federal agricultural programs now in effect, but also more. They explain to the uninitiated reader why such absurdities as price supports, acreage allotments, and marketing orders ever came into existence. Their answer to that question is mainly found in their excellent chapter on public choice theory, which demolishes the notion that governmental meddling in agriculture serves "the public interest."

Along the way, Pasour and Rucker cover a lot of crucial economic theory. We could say that the book is a cornucopia of ideas about the anticornucopia of federal agriculture programs.

As is the case with all economic interventionism, there is a vast chasm between what the public is told about our agriculture policies and the truth. The public is told, for instance, that the government needs to act to "save the family farm," but the authors observe that there are few family farms left any more and that the vast majority of government payout goes to huge agribusiness enterprises.

The public is also told that federal intervention is needed to "stabilize" agricultural markets and thereby "ensure" that we will have a constant supply of food. The authors counter that agricultural markets are no different from others and that there is no need to worry that we might suffer food shortages if it weren't for Uncle Sam's helping hand. In short, all of the "public interest" justifications are false. What has always driven federal agricultural policy is, Pasour and Rucker say, simple income redistribution. Many people in



Perhaps the biggest "winner" class is the government employees who administer the panoply of programs. The biggest losers are taxpayers and consumers, who get stuck with the bill.

the agricultural community have used their considerable political influence to obtain government programs that make them wealthier at the expense of the rest of society. Because the benefits are concentrated and the costs are widely dispersed, we have the typical situation that brings about government action.

Pasour and Rucker provide the reader with a good encapsulated history of federal farm programs. Although there had been some federal meddling in agriculture before the New Deal, it was with Franklin Roosevelt's Agricultural Adjustment Act of 1933 that Washington's role began to grow in earnest.

A good measure of that growth is the ballooning employment in the U.S. Department of Agriculture. In 1929, there were only two USDA workers per thousand farm workers. By 1935, it was seven per thousand; by 1955, 10 per thousand; by 1965, 20 per thousand; by 1985, 38 per thousand. USDA employment peaked

at 129,000 employees in 1980, but has since declined to 107,000 in 1998. We are paying for a lot of government employees who are doing things that either would be done by the private sector, or shouldn't be done at all.

What are the overall effects of the various federal programs? The authors say some policies work at cross purposes. While government is propping prices up with acreage restrictions, for example, it is simultaneously making it cheaper for farmers to operate through other programs that subsidize the purchase of equipment, power, water, and other inputs.

Pasour and Rucker write, "Because some programs increase product prices received by farmers at the same time that other programs decrease prices, some of the expenditures are offsetting." Some farmers clearly gain, while others, particularly those who are kept from selling more of their output by USDA marketing orders, are made worse off. Perhaps the biggest "winner" class is the government employees who administer the panoply of programs. The biggest losers are taxpayers and consumers, who get stuck with the bill for all of this foolish interference with the free market.

The authors end with a plea not for gradualism or "moderation," but rather for a return to sound principles. That would mean putting "For Rent" signs on the USDA offices around the country.

If you find that you need to engage in an argument over agricultural policy, *Plowshares & Pork Barrels* is a book you'll want to have at your side. CJ

George C. Leef (georgeleef@aol.com) is director of the Pope Center for Higher Education Policy.

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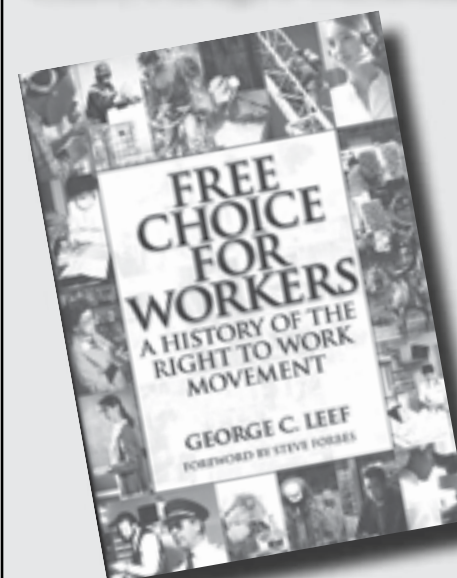
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Commentary

Snubbing a Referendum

Charlotte recently approved a plan to build \$156 million in cultural facilities. It's a nice-sounding effort, but there's more to the story than that, typical of how Charlotte operates.

The story began in 2001. In an attempt to keep the NBA's Charlotte Hornets, city officials proposed building a new arena. By that stage, though, the Hornets' ownership had managed to so completely alienate the community that doing anything for the team was a tough sell. In an attempt to ensure voter approval at referendum, the city bundled a new uptown minor league baseball stadium and various arts projects in with a new arena. The theory was that the other, more popular, projects would put the whole package over the top.

The voters still rejected the arena and add-ons, 57 percent to 43 percent. Not

that that deterred Charlotte City Council, for it merely voted within two years to spend all of the city's available hotel-motel tax receipts for the foreseeable future to build an

arena anyway, this time to land the NBA's expansion Charlotte Bobcats. The deal was advertised as not involving a tax increase. Left conveniently unanswered — or unasked, for that matter — is how the city would pay for any of the other projects in the rejected arena bundle without increasing taxes.

In 2004, the predictable happened: The Arts and Science Council presented its list of new infrastructure demands to Charlotte City Council. The ASC is an umbrella group for the arts in Charlotte. And, well, being an umbrella group, it thought all \$102 million in public money for the new buildings it proposed was absolutely wonderful and incredibly necessary, and it couldn't possibly prioritize the individual projects.

"It is irritating," council member John Tabor said to *The Charlotte Observer* at the time. "I understand, they serve a bunch of masters, and the minute they do (prioritize), they will p*** off more people than they please. But that's

what we do. Why do we have to be the only ones that p*** people off?"

He's right, of course. Good policy, public or otherwise, is built upon the determining costs and benefits of individual projects and prioritizing needs.

In many places, this sort of proposal by a nonprofit would go to the back of a file cabinet, if not straight to the circular file. But Charlotte isn't like a lot of places. And the ASC isn't your typical nonprofit. Its Web page says it all: "Click here to read about Cultural Facilities support from Bank of America, Duke Energy, and Wachovia."

In Charlotte, that's enough. The plan is financed in part by increasing the car rental tax from 11 percent to 16 percent in Mecklenburg County, with that money committed to transit, and thus freeing up general fund revenues to fund the arts projects.

Also included in "funding" is \$57 million that Wachovia would pay in property taxes on a new building that will include an 1,100-seat theater to be built in the arts bundle.

What would be the advantage of an 1,100 seat-theater? If your definition of a "strong arts scene" is one that can attract national touring companies — the sort of events that personnel departments for large corporations tout in trying to get their employees from New York, Boston, or San Francisco to think that Charlotte isn't that bad a place to spend a few years, then it's a good thing. If, however, you view an arts scene as involving local or regional artists, musicians, or actors interacting and creating amazing works to a supportive audience, then an additional 1,100-seat facility is almost entirely irrelevant. Local productions don't usually draw anywhere near that many people.

But it's Charlotte, and that, like the 2001 referendum, is entirely beside the point. CJ

Michael Lowrey is an associate editor of Carolina Journal.



Michael Lowrey

But Charlotte isn't like a lot of places. And the ASC isn't your typical nonprofit.



Editorial

Jim Black Must Be Pruned

"It's a blight on the state. There's no need to pretend that it's not. I commend the prosecutors for moving aggressively, moving rapidly."

— Gov. Mike Easley, commenting on the guilty plea of former Rep. Michael Decker to a federal charge of conspiracy to commit extortion, honest services mail fraud, and money laundering.

When gardening, it's often necessary to remove and discard blighted material to ensure the growth of a plant. The same is true in government. In this case, the blight is a culture of shady money with House Speaker Jim Black at its epicenter. As long as Black remains, public confidence in the integrity of state government will continue to wilt.

The circle of ethical rot around Black is certainly impressive. There's Decker, by all accounts an undistinguished GOP backbencher with an apparent need for money. For \$50,000, in early 2003 he agreed to switch parties and back "a certain Democrat" — Black, the only Democrat who ran — for speaker. For this, besides looking at up to five years in a federal prison, Decker will forever be known as the representative who literally sold his vote so he could fly to Florida and buy a used car.

Some, particularly House Democrats, continue to deny the obvious. They found it "shocking" and were "astonished" and "surprised" — as in they were shocked that Decker pleaded guilty and would be astonished and surprised if Black was somehow involved. Those are strange statements indeed, given that Black has admitted meeting with Decker and raising campaign funds for him. Some of the \$50,000 is from donors closely associated with Black.

Then there's Meredith Norris, a former top Black aide, who pleaded no contest to charges she lobbied legislators

on behalf of Scientific Games, a lottery company, without registering as a lobbyist. Norris' sleazy behavior extends further, including working to deny a grant to a UNC-Charlotte economics professor who had the nerve to state to a reporter that in his professional opinion, the state's high marginal tax rates — a policy endorsed by Black — might hurt the state's business climate.

And speaking of Scientific Games and lobbying, there's Kevin Geddings, a Black appointee to the state lottery commission, who resigned from the board just as news broke that he had received \$229,000 from Scientific Games over the preceding five years. Geddings didn't, however, disclose this massive conflict of interest before accepting the lottery commission gig. In May, he was charged with nine federal fraud counts.

There are other issues surrounding Black's fund-raising practices. Superior Court Judge James Spencer recently upheld a state Board of Elections ruling that Black must forfeit \$6,800 in excess campaign contributions.

In 2002, Black received the maximum allowable contributions from the optometric society's political-action committee. The group went even beyond that, though, also passing along to Black \$6,800 in signed checks from individual optometrists that didn't have a payee filled in. Black contended that this practice was legal at the time. Spencer labeled the practice "blatant gamesmanship."

Easley is right. Decker's actions are a blight on the state. The root of the problem runs deeper, though. It takes at least two to conspire — and that leads to a certain Democrat from Mecklenburg County, who seems otherwise surrounded by scandal-prone individuals. As long as Black remains in house, the corrupting disease facing this state will not have been eliminated. CJ

The Issue of Consolidation

It's a complex issue that requires informed and respectful debate

Government consolidation is one of those causes that sound promising — though admittedly not scintillating — and yet must be pursued thoughtfully, with full knowledge of the likely costs and benefits.

In theory, consolidating programs or agencies devoted to similar functions, or entire governmental entities when they abut or overlap at the local level, should confer significant benefits.

But also in theory, consolidating programs, agencies, or local governments should invite significant risks. The Tiebout hypothesis, for example, has been one of the most-studied issues in public administration and economics.

The late economist Charles Tiebout offered the proposition that having more rather than fewer local governments in a particular area can result in a net improvement in outcomes by fostering competition and allowing citizens to “vote with their feet.” Spirited debate continues on this theory, first published in the 1950s.

Similarly, just as there are economies of scale, there are also diseconomies of scale. Organizations can get so large, with so many employees and so many clients seeking so many different kinds and quantities of service, that the results of consolidation are waste and mediocrity rather than efficiency and

excellence.

A related concept is the Coase theory of the firm, famously proposed by Nobel-winning economist Ronald Coase of the University of Chicago, which explores the “make or buy decision.” When does it make sense to buy and sell services external to the firm on the open market? And when does it make sense to bring those services inside the firm?

All this having been said, some government consolidation is very much in the public interest. For example, North Carolina state government has too many separately elected offices and permits redundancy in major state departments. That wastes tax money, confuses the public, and reduces the quality of outcomes.

On the other hand, many of North Carolina’s public-school districts have long since ascended the economy-of-scale curve and are now hurtling downward into diseconomies of scale as they attempt to manage dozens of schools and student populations of 50,000, 100,000, or more. Deconsolidation is called for here.

The issues are complex, with plenty of room for informed and respectful debate. That’s not to say informed and respectful debate is what we shall get. CJ

Identifying Academic Freedom

Professorial incompetence is being defended on that principle

We never thought we’d offer an enthusiastic second to any comment by Stanley Fish, the well-known literary theorist, formerly of Duke University, who is now teaching humanities and law at Florida International University in Miami. Fish once famously said that his deconstructionist approach “relieves me of the obligation to be right ... and demands only that I be interesting,” which is telling and derisory. But in the now celebrated case of Kevin Barrett, fantasist and conspiracy kook at the University of Wisconsin, Fish offered a good definition and defense of academic freedom.

“There should be no limits at all as to what subjects can be subjected to academic analysis,” Fish told the *Christian Science Monitor*. “But you should be performing as an academic and not as a partisan or preacher or moral judge.”

In defending his right to include his twisted take on 9/11 — that the U.S. government planned and executed the attacks, toppling the Twin Towers with previously installed explosive charges — in his classroom instruction in Madison, Barrett has of course trumpeted his academic freedom. So far, University of Wisconsin administrators are backing

him up on the same grounds, observing that his past student evaluations have been positive (not necessarily a good sign, actually) and that Barrett promises to teach his nuttiness as one theory among many, rather than as a singular truth.

While in this instance the critics tend to be conservatives and the defenders liberals, controversies in academic speech and freedom come in many flavors. Some of the strongest champions of academic freedom — and even of its cousin, tenure — are themselves conservatives and libertarians, who for good reasons feel outnumbered and threatened on modern campuses run amok with diversity-speak doyennes and Marxist bitter-enders.

In Barrett’s case, his absurd conspiracies make him unqualified to teach students about the nature of the current conflict between civilization and the forces of Islamic totalitarianism. To teach a theory of U.S. culpability in the 9/11 attacks alongside theories based on reality is like teaching Holocaust denial as a legitimate theory in European History class.

It is incompetence, not simply a “difference of opinion.” CJ

Commentary

Limits to Historic Preservation

Regular readers of the “Daily Journal” might guess that one of the best ways to grab my attention is to use the word “history.” If you want to sell me on a new education policy, argue that it has some relationship to history instruction, for example. Heck, if you want to sell me a new insurance policy, drop “history” into the advertising copy. It might work.

Basically, I’m a history nut. And yet I do not believe that the government should use compulsion to protect historic properties. Unfortunately, many governments in North Carolina and elsewhere have done exactly that — enacting ordinances that create historic districts within which owners of private property are restricted from exercising their rights.

It also bothers me that these regulations are so often imposed without just compensation, as required by federal and state constitutions. That is, localities simply tell property owners that they cannot renovate their homes, or tear down an old building to make way for a new one, all the while failing to compensate the property owners for their lost use. The property may not be confiscated altogether, an act which clearly requires payment, but its value may be significantly denuded because of the historic-preservation restriction, an act which should just as clearly require payment.

I say it *also* bothers me that the regulations aren’t accompanied by just compensation because even if they were, I would still have a problem with government using its coercive powers to protect properties in which some might have an historical interest. Preserving history per se cannot be considered a core function of government. No one enjoys a right to look at someone else’s old porch or dig in someone else’s backyard. I might wish to do these things, but that doesn’t mean you have a legal obligation to let me. It matters not that I might have the ear of a politician or the skill to form an interest group to press for a law creating the obligation. It is still wrong.

There are some important exceptions. Governments as institutions may legitimately be thought to bear the responsibility to pre-

serve their own history — and we as citizens may be legitimately thought responsible for the cost of that preservation through taxes. Thus, states ought to make provision to preserve key founding and legal documents, as well as key

locations where those documents were designed and their underlying principles formed and debated. An archival function, in other words, is traditional and defensible. But to go beyond that to require that whole swaths of citizens give up full rights over their homes and businesses, either for purposes of historical investigation or tourist attraction, is to transgress the limited-

government principles enshrined in those very archived documents.

Because my passion for history is hardly unique, I expect that a voluntary approach to historical preservation would accomplish a great deal more than advocates of the status quo believe. Don’t discount sentimental value, for starters. My own family has preserved (albeit with some structural renovations) the old house, well over a century old, in which multiple generations of Simpsons (my mother’s name) were born and lived in rural Mecklenburg County.

There are also practical reasons why many property owners might want to agree to forgo certain renovations or changes. Historic districts can be popular places to visit and live, thus increasing property values.

Yes, there may be some in a neighborhood or business district who don’t agree, who think that they will benefit more from change than from continuity. Why not try persuasion? That’s what free societies are all about.

Compulsory historic preservation resembles other government programs in a basic sense: it involves a group with political power seeking to receive benefits without paying the cost.

If you like to look at someone else’s old house, or trees for that matter, be willing to pay for it if asked. Don’t be rude. CJ



John Hood

Hood is president of the John Locke Foundation.

Editorial Briefs

Leisure time up

Every time President Bush leaves Washington for his annual monthlong vacation in Texas, editorialists pine for the days when the average American could kick back for a marathon holiday. But according to a new study from the National Bureau of Economic Research, the average American enjoys more free time than his parents did, notes *Reason*.

Analyzing information from four decades of time-use surveys, economists Mark Aguiar and Erik Hurst found that leisure time (defined as time spent on "entertainment/social activities/relaxing") increased by an average of 6.4 hours a week for men between 1965 and 2003.

Even more surprising, women's leisure time rose substantially as well, by an average of 3.8 hours a week.

How can this be, given the mass entry of women into the workforce during the same period?

Hurst and Aguiar found that the decrease in women's home production work hours made possible by modern conveniences such as take-out food, microwave ovens, and dishwashers more than made up for the increase in working hours.

None of this is necessarily inconsistent with the cherished popular image of a frenetic, hypercharged country. A recent poll by the Pew Research Center found that 21 percent of men and 26 percent of women always feel rushed. But to the extent that the average American is busier, the research suggests the culprit isn't economic necessity. It's choice.

Welfare reform works

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed by President Bill Clinton on Aug. 22, 1996. The law has transformed the way the nation helps its neediest citizens. Gone is the promise of a government check for parents raising children in poverty. In its place are 50 state programs to help those parents get jobs, says *USA Today*.

In the 12 years since caseloads peaked at 5.1 million families in 1994, millions have left the welfare rolls for low-paying jobs. Nearly 1 million more have been kicked off for not following states' rules or have used up all the benefits they're allowed under time limits.

Today, 1.9 million families get cash benefits; in one-third of them, only the children qualify for aid.

Three in four families on welfare are headed by unmarried women. As a result of the law, employment rates for all single women rose by 25 percent before declining slightly since 2001. Earnings for the poorest 40 percent of families headed by women doubled from 1994 to 2000, before recession wiped out nearly half the gains.

Poverty rates for children fell 25 percent before rising 10 percent since 2000.

The worst fears of liberals haven't materialized.

"Everything has worked," Douglas Besharov of the American Enterprise Institute said. "Every critique one might have is about what could have gone better, not something that has gone poorly." *CJ*



Legislative Hijinks Make Little Bills Sad

"I wonder who that sad little scrap of paper is."

If you watched much Saturday morning television in the 1970s, you learned that "sad little scrap" was a walking, talking bill — hanging out on Capitol Hill, waiting for Congress and the president to turn him into a law.

In one of the greatest episodes of *Schoolhouse Rock*, the little bill walks a boy through the Capitol halls. In less than three minutes, the two explain the entire legislative process.

At one point, the bill despairs that he will die in committee. "Well, now I'm stuck here in committee, and I'll sit here and wait," the bill sings in a voice reminiscent of Ray Charles, "while a few key congressmen discuss and debate."

Imagine what would happen if the bill sang about his path through the General Assembly. Some of the lyrics would remain unchanged. In other spots, he would substitute "legislator" for "congressman" and "Legislative Building" for "Capitol."

But the bill would also have to add more steps to the journey. He would explain that a single member of the House or Senate could kill him — simply by holding one of the seats of power. The bill could die, even if he has support from a majority of the legislators.

Lawmakers on both ends of the political spectrum have seen proof in recent years that one powerful member can kill a popular idea. Those pushing a death-penalty moratorium rounded up support from more than half of the members of the state House. The measure already had cleared the Senate. But a veto from one House leader killed the idea.

On the other end of the political spectrum, supporters of a constitutional amendment banning same-sex marriage hit the same obstacle. They claimed they had enough votes to put the issue before North Carolina voters, but legislative leaders stopped the idea in its tracks.

The concentration of power has helped spark interest in the scandals surrounding House Speaker Jim Black. Observers know that Black's support can boost a sagging bill, while his opposition can send a bill to oblivion (or, even worse, the Rules Committee).

The scandals helped prompt a series of bills this year. Lawmakers targeted ethics, campaign finance, and lobbying reforms. Some of their ideas were good. Others were bad. But none addressed the problem of concentrated power.

If a lobbyist knows the fate of his bill depends on one or two people, you don't have to guess who will get that lobbyist's attention. When money is flowing into the campaign process, you can predict which direction it's going to flow.

That's why it's disappointing that lawmakers ignored some ideas this year that would have dispersed power. In the spring, a handful of representatives put forward suggestions to place new limits on legislative leadership. These "reformers" were all members of the minority Republican Party, but it's hard to imagine that Democrats would object to the ideas if the GOP held the House and Senate gavels.

Among the suggestions: term limits for the House speaker. Black just wrapped up his eighth year in the job; that tied a state record. On the other end of the Legislative Building, Marc Basnight has led the Senate for an unprecedented 14 years. That's a long time to build and consolidate power over the other 168 legislators.

Another proposal would have forced the speaker to follow the order of business spelled out in the daily House calendar. Under current rules, he can consider any bill on the calendar at any time without warning.

One of the simplest proposed rules changes would have required the speaker to "refer a bill to the most appropriate committee." In other words, the Rules Committee would lose its status as the scrap heap for dead and dying legislation.

Each of these changes could improve the prospects for legislation that has support from a majority of lawmakers.

That would mean good news for our friend the *Schoolhouse Rock* bill. "I know I'll be a law some day," he sings. "At least, I hope and pray that I will. But today, I am still just a bill." *CJ*

Mitch Kokai is an associate editor of Carolina Journal.



Mitch
Kokai

Some Compliments and a Participation Plan Search

To the editor,

Compliments on the several reports/analyses on illegal immigration's effects on North Carolina in the August issue. This is a complex phenomenon the mainstream media can cover superficially at best. I defer to economist Robert J. Samuelson's gentle words for part of the explanation in "Immigration Bill's Hidden Impact" (http://www.realclearpolitics.com/articles/2006/05/immigration_bills_hidden_impac.html, Washington Post Writers' Group, May 31):

Letters to the Editor

[G]roup-think is a powerful force in journalism. Immigration is considered noble. People who critically examine its value or worry about its social effects are considered small-minded, stupid or bigoted. The result is selective journalism that reflects poorly on our craft and detracts from democratic

dialogue.

Two-time Pulitzer Prize-winning reporter for *Time* magazine James B. Steele adds in "Opening the Door to Better Immigration Stories" (Mary Sanchez, Poynter Online, Oct. 12, 2004):

I began [reporting] in 1956 and never have I seen a more badly covered subject [than immigration], and there is no question it is a political correctness issue. I find that offensive as a reporter.

Who will take up the slack?

Tom Shuford
Lenoir, N.C.

(Editor's Note: Tom Shuford is a columnist for EducationNews.org and lived in the Los Angeles metro area in the late 1990s.)

To the editor,

It has been three weeks since the discovery of the missing CAMA Land

Use Citizens Participation Plan (CPP).

The CPP is the foundation for the design of our CAMA Core Land Use Plan. The data collected from the CPP is used to develop the CAMA Core Land Use Plan in regards to future land use in Gates County for next decade.

It is probably Gates County's most important document of the millennium. The CPP data is used to describe the citizens' wants and needs, socially and economically in regards to land use. For example, the development of our Zoning Ordinance refers to the CAMA Land Use Plan to meet the land use needs of the people.

Another example is the designation of the amount and location of future recreational, commercial, and residential land that will be used by the public. To fathom the importance of the CPP, it is considered the statement of whom we are as a community, and what we wish to become in the future!

Furthermore, to complicate the situation, there is no evidence that the Citizens Participation Plan ever existed!

Yet according to 15 A Sub-chapter

7L, local governments receiving N.C. Department of Environmental and Natural Resources Grant Funds, will develop and implement a CPP.

Any help that can be offered in solving this puzzling mystery is greatly appreciated.

Rob Cross
Gates County, N.C.

To the editor,

In a Web full of awkward and cumbersome attempts, yours (www.carolinajournal.com) stands apart for being especially elegant.

Very impressive and suitably pertinent. While I wish there were thousands more Web sites like yours, I'm happy to have found even one.

Just wanted to compliment your layout for presenting various informative news links in a cognitive way. Thank you.

Rich Kaiser
Faison, N.C.

An Economist's Top 10 Proves They're Not Strange After All

Did you ever wonder what economists believe? Probably not, unless you are seriously short of things to think about! But economics is a big part of our world, so perhaps it isn't a waste of time to consider what drives the economic mind. So here, to a modest round of applause, are my "top 10" economic principles.

•Economics exists only because resources are limited: The "economic problem" is simple: We can't have everything we want because our resources are limited. We have limited money and limited time. Therefore, we have to make choices, and economics helps us establish a framework for how to make choices.

•Prices communicate value: Most of us don't like prices, because they represent what we have to give up in order to have something. Yet to economists prices are important because they communicate value and, just as important, they allow consumers to individually adjust to changes in value. So when the price of gasoline rises, that tells drivers each gallon of gasoline is more valuable, and thus drivers are motivated to conserve and

use less. But no central authority tells us how much less to use — we each make our own decision.

•Specialization plus trade equal progress: Especially in today's complex world, even the smartest and most vigorous person can't do everything. We specialize, meaning people select those things they do best and then trade for the other things needed. So I specialize in teaching and then indirectly trade with the farmer for food. We're both better off compared to a situation in which the farmer and I each tried to teach and produce food.

•Nothing is free: Even clean air costs what is spent on pollution control and prevention. There's a cost for everything valuable, because all valuable resources have many potential uses.

•Profits tell businesses what to produce: Like prices, profits have a negative meaning for most people. But in economics profits are what motivate businesses to produce the products consumers need. Rising profits are the green light for businesses to produce more, and falling profits are the red light for businesses to produce less. High profits in today's oil market have sparked a rush by oil companies and others to find more oil or to find oil alternatives. Energy users will ultimately be the beneficiaries.

•Competition is the consumer's best friend: Competition, meaning there are many companies vying for consumers' business, keeps profits in

Profits tell businesses what to produce: Like prices, profits have a negative meaning for most people. But in economics profits are what motivate businesses to produce the products consumers need. Rising profits are the green light for businesses to produce more.

line and buyer desires met. There's nothing like the fear of losing customers to motivate a business to cut costs and provide what a customer wants.

•Income is earned by giving people what they want: Workers who are successful at giving people more of what they value will earn the highest incomes. Bill Gates has earned billions of dollars because millions of people value his computing software. Economics has nothing to say about the subjective importance of these values. That's for individuals and society at large to determine.

•Costs and benefits have big

influences on behavior: Economists aren't so self-centered as to believe that all that matters is the "bottom line," but we do think that costs ("sticks") and benefits ("carrots") are important considerations in most decision making. Increasing benefits or reducing costs will cause people to do more of something, while decreasing benefits or increasing costs will cause them to do less.

•Time affects value: When in time a resource is received or given affects its value to the user. Since most people would rather have things now rather than later, a resource loses value the farther it is pushed into the future. To realize this, just ask yourself this: Would you rather have \$10,000 now or \$10,000 10 years in the future?

•Unintended consequences frequently occur: Much of economics deals with what occurs later from an action today. For example, how will changing tax rates today affect tax revenues in five years? Often the future result will be different than the current one. Economics teaches us to look at the long run.

Maybe economists aren't that strange after all! CJ



Michael Walden

Dr. Michael Walden is a William Neal Reynolds distinguished professor at North Carolina State University and an adjunct scholar of the John Locke Foundation.

Work Begins on State-Owned Extreme Sports Center (a CJ parody)

By MARK D. TRAIL
CJ Adventure Writer

RALEIGH

Construction began in August on the \$235 million Carolina Regional Adventure Park situated on the little-used state government mall in downtown Raleigh, says Steve Narly, director of the state's Slacker Outreach Program.

Narly said the facility, which has become known by its acronym CRAP, is "a cutting-edge extreme sports facility," that will help raise money for education. It will be owned by the state and managed by the Department of Cultural Resources. If the Raleigh park is a success, there are plans to build more, he said. "We hope we will soon have CRAP all around the state," Narly said.

The initial CRAP features will include an oval whitewater facility and a climbing wall on the side of the Education Building. Urban whitewater facilities are rare, but the City of Charlotte also has one that has just opened.

Another feature, he said, will be a base-jumping tower on top of the 10-story Archdale Building. Base jumping is a derivative of skydiving where participants jump off fixed objects. The tower will allow participants to be 1,000



Steve Narly, the director of the state's Slacker Outreach Program, shows how, well, narly the rapids can get at CRAP, the Carolina Regional Adventure Park.

feet above the ground before they leap, open a rental parachute, and glide safely onto the landing zone in the center of the whitewater course.

Secretary of Cultural Resources Secretary Libba Evans told *Carolina Journal* that user fees will generate up to \$30 million a year. After paying operating expenses, Evans said she expects to

transfer as much as \$2 million per year to the Department of Public Instruction.

The project was the brainchild of Gov. Mike Easley. Sen. Tony Rand, a close associate of Easley, slipped it into the state budget at the last minute. Easley budget adviser Dan Gerlach told *Carolina Journal* that Easley's top aides came up with the idea after determining

that the N.C. Education Lottery revenues would fall short of expectations and that the state needed to find a way to tap the resources of people who just don't want to play the lottery.

"Extreme sports is a growing industry and we want to have the first publicly owned urban extreme sports facility in the United States," Gerlach said.

The project was buried so deep in the budget that reporters and even House Speaker Jim Black did not know about it until recently. "Carolina Regional Adventure Park is a ridiculous idea and waste of tax dollars," Black told reporters invited to his office Aug. 12 after he found out about the project.

In response to Black's comments, Gerlach told *Carolina Journal* that Black was "narrow-minded and would soon be irrelevant." He was apparently referring to the ongoing federal investigation of Black's associates that some observers think might lead to charges against Black himself.

"This whole project was worked out with his former political director Meredith Norris. The governor is not responsible for any communication breakdowns between Black and his associates," Gerlach said. *CJ*



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