

CAROLINA JOURNAL

Horsing Around: Agency Doles Out Tobacco Money

Golden LEAF controls billions of dollars; some is for Horse Park

By **PAUL CHESSER**
Associate Editor

The Golden LEAF Foundation, a nonprofit organization given control by the General Assembly of more than half of North Carolina's \$4.6 billion tobacco settlement money, is using some horse sense to distribute \$200,000 worth of economic development.

Golden LEAF was established in 1999 to receive funds from litigation against the nation's largest tobacco-product companies. LEAF's board decides where in the state the money is to be awarded, keeping in mind its mission "is to support organizations that promote the social welfare of North Carolina's citizens...to lessen the economic impact of changes in our tobacco economy." The foundation reports annually to the legislature on its activities. Funding depends on the continued solvency of tobacco companies and their dependence on smokers to buy their products.

Establishment of Golden LEAF was not without detractors. Several legislators, both Republican and Democrat, were concerned about politicization of the 18-member board, which is appointed by the governor, speaker of the House, and president pro tempore of the Senate. Those three positions are held by Democrats. Most Republicans objected to the idea.

"The original intent of the [tobacco] money was to defray state health costs," said House Minority Leader Leo Daughtry, R-Johnston. "We were hoping they would give half of the money to a health trust...but it didn't work out that way."

Horse Park benefits from smokers

Originally wanting \$300,000 to fund the construction of one of its barns, the Carolina Horse Park Foundation in Southern Pines instead settled for \$200,000 to offset this year's operating expenses. Golden LEAF granted the funds, one of 60 awards totaling \$8.9 million, late last year. In 2000 Golden LEAF, based in Rocky Mount, dis-



The Golden LEAF Foundation is helping subsidize the Carolina Horse Park in Hoke County.

tributed \$5.1 million to 39 organizations and government agencies.

The Horse Park said it was applying for a grant from the Z. Smith Reynolds Foundation to fund the second horse barn.

The Horse Park Foundation has changed its name twice since establishing itself as a 501(c)(3) tax-exempt organization in March 1998.



According to its federal Form 1023, application for recognition of exemption, the organization established itself under the name "Friends of the Foundation."

An attachment to the application explained the activities of the foundation, which mostly appeared to be of a conservationist nature. At the time, its goals consisted of "preserving environmentally significant

land near or adjacent to natural areas in Southern Pines"...because the "area is being developed with golf courses and vacation/second home developments and the open land is being rapidly subdivided." The foundation's plan was to "seek grants and gifts to buy land...and hold it temporarily until it can determine an appropriate 501(c)(3) organization or state agency to permanently hold the land."

Friends of the Foundation expected to "hold some land as open space for the ben-

efit of the community...The purpose of holding such land will be the preservation of natural beauty."

The foundation explained it would "also sponsor one or more equestrian competitions each year" for "the purpose of raising money for the Corporation and of preparing amateur riders for national and international competition."

During its first year of existence the foundation changed its name to "Sandhills Equestrian Conservancy," but its first tax return still stated its primary exempt purpose as "preserving environmentally significant land..." Subsequent tax returns for 1999 and 2000 expanded the conservancy's purpose to include "promoting...equestrian competition."

"When the corporation papers were first filed," said Roger Secrist, president of the Carolina Horse Park Foundation, "it was thought that our organization might cooperate as to mission and activities with another nonprofit having very similar conservation and equestrian purposes that already existed within the community..."

"It was determined almost immediately not to be possible," he said. The likelihood

New N.C. budget report says funds should go toward the state's deficit

By **PAUL CHESSER**
Associate Editor

While the Golden LEAF Foundation sinks half the state's tobacco settlement into ventures such as equestrian parks and projects encouraging longer visits to the Blue Ridge Parkway, the John Locke Foundation advocates closing North Carolina's budget deficit instead.

The suggestion was part of an alternative budget proposal released by the Locke Foundation on Jan. 23, which included transferring \$400 million currently deposited in Hurricane Floyd relief accounts as well as Golden LEAF's funds. The John Locke Foundation also called for the repeal of tax increases implemented by the General Assembly last year. The state is facing a deficit that could reach \$900 million this year.

"This proposal would yield a General Fund budget of \$14.3 billion in 2001-02, still an increase over last year," said John Hood, president of the John Locke Foundation. "It would not reduce regular state appropriations for classroom teachers or public safety, and would still fund a generous Medicaid program and the vast majority of the cost of attending state colleges and universities."

Hood attributed the budget gap primarily to "spending spurts in Medicaid and lower-than-expected revenue collections...despite a projected \$660 million increase in tax revenues from rate hikes and changes in tax collection policy."

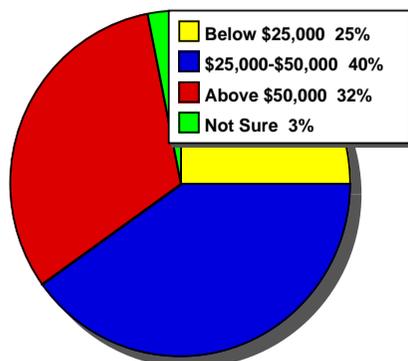
Other recommendations include:

- Suspending the issuance of state debt over the next 18 months — primarily the higher education bonds approved by voters in 2000 with the promise they would not lead to tax increases.
- Withdrawing \$190 million from the state's rainy day reserves over two years.
- Eliminating some expansion items in last year's budget, saving \$94 million.
- Achieving savings of more than \$668 million in the \$14.4 billion base budget.

"By balancing the budget and repealing last year's tax hikes, North Carolina can regain its competitive edge and the national respect it lost last year [by raising taxes]," Hood said.

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Household Income Breakdown in N.C.



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Calendar

William Kristol to Speak at Locke's 12th Anniversary Dinner

The John Locke Foundation will celebrate its 12th anniversary with a dinner Friday, March 22, at the North Raleigh Hilton. William Kristol, editor of the national weekly political magazine *The Weekly Standard*, will be the featured speaker.

Widely recognized as one of the nation's leading political analysts and commentators, Kristol regularly appears on most of the major television public affairs shows. Before starting *The Weekly Standard* in 1995, Kristol led the Project for the Republican Future, where he helped shape the strategy that produced the 1994 Republican congressional victory.

Kristol served as chief of staff to Vice President Dan Quayle during the Bush administration and to Secretary of Education William Bennett under President Ronald Reagan. Before coming to Washington in 1985, Kristol taught politics at the University of Pennsylvania and Harvard's Kennedy School of Government.

Recently named "the hottest pundit in town," by *Washingtonian* magazine, Kristol draws on all aspects of his background to provide a provocative perspective on events and political developments in Washington and around the world.

The cost of the anniversary and awards banquet is \$30 per person. Reception and registration will begin at 6:30 p.m., with dinner served at 7:30. For more information or to preregister, contact Kory Swanson at (919)828-3876 or events@johnlocke.org.

• John Locke Foundation Chairman and President John Hood continues to tour throughout the winter promoting his latest book, *Investor Politics: The New Force That Will Transform American Business, Government, & Politics in the Twenty-First Century*.



Journalist and TV personality William Kristol

Upcoming events will take him to Seattle, New England, Tennessee, South Carolina, California, and Florida.

Shaftesbury Society

Each Monday at noon, the John Locke Foundation plays host to the Shaftesbury Society, a group of civic-minded individuals who meet over lunch to discuss the issues of the day. The meetings are conducted at the Locke offices in downtown Raleigh at 200 W. Morgan Street, Suite 200. Parking is available in nearby lots and decks.

On Feb. 25, Dwight Allen of the Telephone Cooperative Coalition, Inc. will discuss the effects of new state taxes levied on local telephone companies. Allen has

worked as a lawyer for the North Carolina Utilities Commission and the Sprint Corporation, where he also was president of Mid-Atlantic operations.

Ryan Thornburgh, editor and publisher of *The Carolina Political Report*, will reminisce March 4 about his days in Washington, D.C., when he reported on the scandals in the Clinton administration for *Washingtonpost.com*.

On March 11, Itimu Katembo, author of the book *Elephants in a Bamboo Cage: The Black Condition, the American Psyche, and the Next Step Forward*, will be the Shaftesbury speaker. His book studies how blacks can achieve socioeconomic parity in the United States through education, technology, culture and geoeconomics. Katembo has taught mathematics and computer information systems at several colleges and universities, and has done extensive research in South Africa, Lesotho, and Botswana on the interlinkages of culture and indigenous architecture.

Charles Hayes, CEO of the Research Triangle Partnership, will give his views on the recent "Clusters of Innovation" study about the Research Triangle, on March 25.

If you would like to join us, call Kory Swanson for details or email him at events@johnlocke.org.

"Locke Lines"

The John Locke Foundation produces a monthly audio magazine called "LockeLines" that features speeches made at JLF events each month. "LockeLines" includes Headliner speeches as well as Shaftesbury Society speeches and commentary by Locke staff. To subscribe, call Kory Swanson at (919) 828-3876. *CJ*

Golden LEAF Engages in Horseplay With State Tobacco Money

Continued From Page 1

of finding an already-existing conservationist-equestrian nonprofit organization in such a defined area was remote, as was finding an interested state agency.

Changed priorities?

On Aug. 1, 2001, the transition in purpose and name was seemingly completed, when the conservancy's name was changed to the "Carolina Horse Park Foundation."

Financial plans also changed rapidly in the organization's three-year history. A projected three-year budget submitted with the organization's original 1023 application projected \$404,000 in expenses, all associated with the purpose of land acquisition. Total revenues were predicted to be \$400,000.

However, in budget plans submitted as part of a grant request last year to the Golden LEAF Foundation, financial priorities for the Carolina Horse Park Foundation now reflected its new name.

In its initial grant application to Golden LEAF on July 10, 2001, the Horse Park requested "up to \$300,000 for one of two barns...any grant award from Golden LEAF will be used for this purpose." The project objectives were to build permanent stables for horses, in order to eliminate the need for temporary tent stabling at each of the park's events. The application said "the Park will clear little positive cash flow until permanent stabling is in place."

However, Secrist insisted that the foundation maintains its original goals.

"Our mission was and still remains, specifically, to conserve open land and natural habitat, and at the same time promote national and international equestrian competition," Secrist said.

Secrist said the land had previously been planned for "relatively high-density premanufactured home sites," while the Horse Park's development was for low to non-density.

"Our emphasis is the conversion of former cropland to permanent grasslands and the preservation of woods, ponds, and natural areas," he said.

Big plans

In the narrative proposal section of the Horse Park's application for a Golden LEAF grant, Secrist wrote "it is our vision to establish a premier horse facility that offers a competition venue to those equestrian disciplines needing large acreage on which to compete..." A seeming shift in priorities is reflected in that a potential grant from Golden LEAF would "cause a dramatic increase in tourism to the area, creating employment opportunities and additional economic development for the surrounding communities."

The park says its goal is to increase economic activity, with motels and hotels, restaurants, service stations, and retailers coming to the area with the numerous equestrian events. Such an initiative would seem to conflict with the park's original desire to limit developments and preserve "environmentally significant land near...Southern Pines."

But Secrist said that the Horse Park's "organizational approach will immunize this land permanently from any development pressures or threats for many decades to come, no matter what happens to the nearby property." Still, economic development would theoretically grow "near Southern Pines."

Touting the potential benefits of a large-scale park, Secrist cited the economic boon of similar ventures in other states. He said

Carolina Horse Park/Golden LEAF Timeline

Feb. 19, 1998: "Friends of the Foundation" established to "preserve environmentally significant land."

Later, 1998: Name changed to "Sandhills Equestrian Conservancy, Inc."

Jan. 29, 1999: Primary exempt purpose on first tax return is "preserving...land." Total contributions: \$383,201.

July 5, 2000: Tax return for 1999 expands primary purpose to include "promoting...equestrian competition." Total contributions: \$390,775.

July 10, 2001: Request from Horse Park to Golden LEAF Foundation to fund \$300,000 for horse barn construction, citing local economic benefits.

July 26, 2001: Tax return for 2000 shows \$213,146 in public support, \$25,000 in government grants, and \$444,102 in program revenue. Asset total: \$1,109,434.

Aug. 1, 2001: Name changed to "Carolina Horse Park Foundation."

Aug.-Oct. 2001: Golden LEAF declines to fund barns, but asks Horse Park to request assistance for operating expenses instead.

Oct. 25, 2001: Horse Park amends request to Golden LEAF, to instead fund operating costs for 2002, totaling \$345,400.

November 2001: Golden LEAF Foundation awards \$200,000 to Carolina Horse Park Foundation to offset operating expenses in 2002, despite expressed support for park from corporate sponsors.



the Kentucky Horse Park enjoys 900,000 annual visitors, contributing more than \$135 million to the Lexington, Ky., local economy. Similarly, the Virginia Horse Center has almost 300,000 visitors annually, bringing more than \$40 million to the Lexington, Va., area.

"The majority of the impact is in those businesses serving the tourists," Secrist said. "Hoke County and adjoining counties with this infrastructure will directly benefit."

Justifying its need for assistance from Golden LEAF, Secrist cited the "financial despair" of Hoke County, where the park is located, and surrounding counties of Richmond, Scotland, and Robeson. However, the park is also a short jaunt down N.C. 211 from Southern Pines in Moore County, one of the state's wealthiest towns.

Most of the park's board members reside in Moore County, also predominantly in Southern Pines. The list includes several business owners, civic leaders, and corporate officers. Secrist is a former business executive, with much of his career spent at chemical-manufacturing companies.

But Secrist said, "our directors come from many backgrounds as to experience, contacts, and financial capability. The majority would not be considered wealthy.

"Several have corporate experience, particularly in North Carolina and are helpful with useful contacts.... Several have philanthropic experiences and they are helpful in our fund-raising efforts."

The park's directors have contributed the majority of the private donations, totaling \$1.2 million, Secrist said.

"[But] to advance the goals of the park even partially along the path of other parks is way beyond the means of our board," he said.

So far, the park has purchased 250 acres of land, and constructed a 7/8 mile steeplechase track and cross-country courses at a cost of about \$1 million.

Funding came from private donations, sponsors, bank mortgages, and a line of credit. The park received a grant from the

North Carolina Southeast Economic Development Commission in 2000 for \$25,000, and was awarded \$3,500 from the state tourism office.

The park's Golden LEAF application said the "project is well-started and funded to date by private and corporate entities that believe in the project's merit..." In addition, "preliminary meetings with major sponsors indicate that they want to be represented at one or more of the events planned at the Park."

"Major corporate sponsors, like BB&T, Sprint, House of Raeford, and others are willing to assist with some of the cost of the competition, as they feel their business benefits with the exposure to spectators...as a sponsor," Secrist said.

D. Wayne Peterson, a director for the Horse Park, is also former president and chief executive officer for Sprint Mid-Atlantic Telecom.

"However," Secrist said, "even under the most optimistic scenario, [corporate sponsors'] support is far short of covering the needs of the park."

Horse Park's wish list

According to the park's website, its needs, in addition to the two \$300,000 horse barns, include a pavilion, \$500,000; a dressage field, \$240,000; a covered arena, \$210,000; dressage rings, \$90,000; a driving course, \$80,000; a trade fair shelter, \$60,000; a comfort/convenient building, \$40,000; turnout paddocks, \$40,000; viewing track stands, \$30,000; judges' booths, \$25,000; security fencing, \$25,000; and stadium jumps, \$15,000.

The park is also looking to purchase a used tractor for \$15,000 and used forklift for \$15,000.

"Private fund-raising is reaching its limit," Secrist said, "and the only possibility for the park to realize even a part of the success of other parks is with the direct involvement of organizations like the Golden LEAF Foundation."

A similar plea impressed Golden LEAF's board, leading it to award the \$200,000 in public funds to the Horse Park.

The LEAF board refused to fund the park's initial \$300,000 request for the horse barn, because, according to LEAF President Valeria Lee, infrastructure "is not exactly what we wanted to support." So, discussions between the organizations resulted in a rewritten request from Secrist to fund \$345,000 for the park's operating expenses for the year.

Economic, or political, benefits?

Lee said Golden LEAF was "very interested" in the economic benefit of the Horse Park idea. "The effort is exactly what we wanted to be funding," she said.

Daughtry is disappointed by the approach taken by Golden LEAF, and some of the choices the organization has made.

"It's political, it looks like to me," he said, "appointed by political operatives."

Daughtry said much of the money is not reaching the communities, or the individuals, that were intended to be helped. Asked whether he thought directing funds toward the Horse Park would alleviate an economic crush felt by tobacco workers, he said, "I do not. That was not the intention of the settlement needs."

In applying for the grant from Golden LEAF, Secrist mentions continuous cuts in North Carolina tobacco quotas, claiming that in Hoke County, "almost one million base pounds has been cut from tobacco allotments from 1998 to 2000." He said the cuts "seriously affect an entire community's well-being."

The original grant application from Golden LEAF said funding for one of the horse barns "would provide a permanent way to ensure the success and future of the park." However, Secrist recently said other priorities, including completion of competition courses and retiring bank debt, will likely mean the park won't have the funds to construct the horse barns this year. *CR*

Around the State

• After receiving its portion from tobacco companies in a settlement intended to reduce economic dependence on tobacco products and provide health care for smokers, The Health and Wellness Trust Commission is devising an anti-smoking program. Board members are considering a \$5 million plan that would run for three years. If implemented, the \$5 million would represent 5 percent of the about \$100 million the trust has now. It would represent 0.4 percent of the \$1.15 billion that the trust is to receive over 25 years, and 0.1 percent of the state's entire portion of the settlement. In early January the National Center for Tobacco-Free Kids issued a report placing North Carolina last in its efforts to prevent smoking by youth.

• While Congress was out of session, Rep. Robin Hayes toured his 8th District (newly redrawn, pending court decisions) and explained his vote to give President Bush trade promotion authority. In Laurinburg on Jan. 8, Hayes promoted the president's signing of the education reform bill. According to a story in the *Laurinburg Exchange*, Hayes emphasized parts of the bill that allow prayer in schools and require teaching in English. Also known as a leader who traditionally votes against trade legislation that hurts the textile industry, Hayes defended his vote on trade promotion authority: "There were about 10 policy changes we needed...when all the pieces were in place, I got what I wanted. It was about doing the right thing."

• In December, Garland B. Garrett Jr., former Gov. Jim Hunt's secretary of transportation, was charged in a 246-count federal indictment related to illegal prize payouts from video poker machines. Garrett's business, Cape Fear Music Co. Inc., allegedly leased poker machines to businesses that paid cash prizes, a violation of state law.

Some who are watching the story may remember that Garrett supported gambling interests as a representative of Hunt's administration. When Harrah's Cherokee Casino had its grand opening in November 1997, Hunt and most other state officials begged off from the ceremonies. However, Garrett made a brief speech on behalf of the administration at the festivities, announcing that the state would perform millions in road improvements for the area.

• Charlotte City Council, under threat of a lawsuit that probably would have been successful, abandoned its program that steered a percentage of its road construction projects to women and minorities. Minority-owned United Construction sued the city because the city rejected United's project bid, because the company was not going to farm out 6 percent of the project to other women or minority-owned subcontractors. United's proposal was to use only one subcontractor, which was female-owned. The city had awarded the contract to the next-lowest bidder. *CR*

Local government center analyzes burden on residents**Charlotte, Wilmington, Hickory Tops in Taxes**

By PAUL CHESSER

Associate Editor

RALEIGH
Charlotte, Wilmington, and Hickory were the top tax-happy large cities in North Carolina in 2000, according to a new report published by the Center for Local Innovation.

The findings were part of the center's fourth annual *By the Numbers* report, which analyzes property, sales, and other local tax and fee burden on residents of each of North Carolina's counties and municipalities. The Center for Local Innovation is a division of the John Locke Foundation, which also publishes *Carolina Journal*.

Charlotte once again, by far, had the highest tax and fee burden per resident in the state. The Queen City and Mecklenburg County brought in a combined \$1,826.14 per Charlotte resident in the fiscal year 1999-2000, and also had the highest property tax and sales tax burden per capita.

"I live in the highest-taxed city in the highest-taxed county," said Phil Van Hoy, a lawyer in Charlotte and an antitax activist. An employment lawyer who generally represents management, Van Hoy said he's seen the negative effects of high taxes driving his clients out of the county, often to Cabarrus County or York County, S.C.

"It's not just prospective," he said. "It's actually happening — and it's not going to come back."

The compilation of 2000 data culled from the State Treasurer's Annual Financial Information Report showed Wilmington and Hickory made the largest leaps in the rankings. The Port City moved from ninth to second among cities with populations greater than 25,000, while Hickory jumped from 12th to third. The rankings were for combined taxes and fees, and the movements for the two cities can be attributed to large increases in property tax burdens per capita. Hickory's average per capita rose from \$779.62 in 1999 to \$889.78 in 2000. Wilmington's average property tax burden rose from \$733.25 to \$984.44.

Such changes can be attributed to a number of factors. Property tax hikes, revaluations, annexation, higher fees, and economic conditions can affect the numbers. "The reason we've had a tax [burden] increase is because previous councils annexed about 20,000 new residents," said Jason Thompson, a recently elected city council member in Wilmington. "But we've only provided a portion of the infrastructure."

"That's 20,000 new city residents who just got a tax increase," he said, citing it as the reason he ran for city council. "We annexed some of the highest property value areas of the county."

On the other hand, Concord and Chapel Hill experienced the most significant drops among large cities. Concord went from the highest combined (city and county) property tax burden in 1999 to 10th in 2000. Chapel Hill's total sales and property tax combined burden lowered its ranking from third to ninth.

Among cities with populations larger than 25,000, Goldsboro and Jacksonville had the lowest combined burden per capita, largely because of their military communities. The City of Burlington was the next lowest — Alamance County has one of the lowest overall tax burdens in the state.

Several resort communities had heavy individual tax burden averages among mid-sized municipalities. However, small permanent populations in those areas, combined with high tax values on second homes, result in a high per-capita tax burden.

Of those mid-sized communities not found in the state's coastal areas, several



The old City Hall in Charlotte, which has the highest tax burden among North Carolina's cities

bedroom communities of Raleigh and Charlotte ranked high in per-capita tax burden. In Wake, Johnston, and Orange counties, the municipalities of Morrisville, Holly Springs, Hillsborough, Clayton, Garner, Fuquay-Varina, Wake Forest, Carrboro, and Apex felt the brunt of high taxes and fees in the shadow of the capital city.

Cornelius, Davidson, and Matthews suffered the highest combined tax burdens in Mecklenburg County. These ranks were heavy influenced by the county's high ranking in per capita tax burden.

Outside the influence of North Carolina's largest metropolises, the mid-size (between 5,000 and 24,999 in population) municipalities with the highest tax burdens per capita were Brevard (in Transylvania County), Conover (in Catawba County) and Hendersonville (in Henderson County).

In municipalities smaller than 5,000, the rankings again were dominated by resort communities and wealthy suburbs of the state's

larger cities. Scattered among beach towns in the listings were tourist-heavy Blowing Rock, a mountain community in Watauga County, and Claremont in Catawba County.

The highest and lowest counties

Switching from city-based numbers to county numbers, again inhabitants of coastal resort areas and those residing in or around the state's larger cities were hardest hit with taxes. The only counties on the ocean *not* among the highest 25 for tax burden were Pender and Onslow, both which encompass or border Camp Lejeune.

Of the large, urban counties in the state, Mecklenburg stood out with the highest combined tax and fee burden, at \$1,873 per capita. Durham County ranked fourth and New Hanover fifth. Forsyth and Buncombe counties boasted the lowest burden among urban counties.

Bladen, Catawba, Lee, Wilson, and Edgecombe were high tax-burden counties that did not fall under the resort or urban categories.

The rural counties of Madison, Caswell, Hoke, and Gates carried the least tax burden per capita in the state, with Alexander County the lowest at \$564.88.

As a percentage of income

Perhaps more significant are the numbers that illustrate how large a percentage of North Carolinians' income goes toward funding local governments.

Disregarding those communities with large numbers of property tax revenues from second homes and resorts, the counties of Bladen and Edgecombe were found to have the highest combined tax burden as a percentage of income. In Bladen, residents had 7.39 percent of their income, on average, go to county and city government coffers. Edgecombe inhabitants had 6.36 percent taken from them for local governments.

Among urban centers, New Hanover County residents averaged 5.56 percent of their income going to city and county taxes. People in Durham County contributed 5.5 percent of their income to local taxes and fees.

Mecklenburg County, the state's largest county, ranked 12th for tax burden as a share of income, at just over 5 percent.

The state's second largest county, Wake, landed in the lower half of North Carolina's 100 counties when considering taxes as a percentage of income. It fell in at number 52, with a

combined tax burden of 3.97 percent, just under the state median of 3.99 percent (last year's median was 4.08 percent).

Proving that having a city larger than 25,000 doesn't have to mean higher taxes, Alamance County enjoyed one of the lowest tax burdens as a percentage of income in the state. Residents forked over an average of 1.71 percent of their income in 2000 to the county government.

Factoring in the county's municipal taxes, Alamance still ranked 76th in the state for tax burden.

Alamance's success in keeping rates low was largely on the strength of the second-lowest property tax percentage of income in the state — 0.95 percent. Residents also fall in the lowest 10 counties in the state regarding percent of income contributed to sales taxes as well.

Keeping the tax base low can be at least partially credited to a committed band of antitax activists in the county. When Alamance county commissioners considered the budget last summer after property revaluations, Chairman John Patterson told the antitaxers that all commissioners ever heard was from those who wanted more from government.

As a result, they campaigned to keep their property tax rate low, by making multiple phone calls, mostly to Patterson, who represented the swing vote.

"We focused on the middle commissioner, and encouraged him to hold the line," said Doug Fincannon, a local activist. "We did feel it was a big victory." *CR*

"The reason we've had a tax increase is because previous councils annexed about 20,000 new residents."
— Jason Thompson

N.C. DMV to try verifying Social Security numbers**National Groups Seek Higher Standards on Driver's Licenses**

By DON CARRINGTON

Associate Publisher

Rising concern about driver's license fraud in North Carolina and a few other states has led two national organizations recently to release reports calling for higher standards for issuing the licenses.

On Jan. 14, the American Association of Motor Vehicle Administrators' Task Force on Identification Security announced its recommendations for enhancing the issuance of secure identification credentials.

On Jan. 8, the Heritage Foundation, a conservative think tank based in Washington, D.C., released its recommendations for improving national security, including enhanced identification policies.

Also, on Dec. 10, South Carolina Attorney General Charlie Condon asked U.S. Attorney General John Ashcroft to look into the driver's licensing practices of North Carolina and three other states that continue to issue licenses to illegal aliens.

The reports add growing pressure for both North Carolina and federal officials to address the problems arising from states that continue to issue driver's licenses to illegal aliens and out-of-

state felons. While new laws in North Carolina make the process more difficult, it is no secret that such individuals can still obtain driver's licenses with relative ease.

In the past four years, according to the N.C. Division of Motor Vehicles, more than 400,000 driver's licenses have been issued to people who claimed they had no Social Security numbers. State officials have no idea how many of those people are in the United States on visas and how many are in the country illegally. They also have no idea how many people submitted Social Security numbers that were stolen.

The recently released reports coupled with the action by South Carolina's attorney general have spurred some state legislators into action

Motor vehicle administrators

According to the AAMVA, a state driver's license has become the most requested form of identification, and the importance of secure identification credentials has become a more visible public policy issue after the terrorist attacks of Sept. 11.

"It took these heinous crimes to bring these problems to public attention," said AAMVA President Linda Lewis during a press conference unveiling the organization's recommendations.

"Unscrupulous individuals shop for the easiest way to get a license and they put us at risk," she said. "Improving the driver's license issuance process is important to prevent fraud, protect privacy, and save lives."

No more instant licenses would be permitted under AAMVA's recommendations. A person getting a license for the first time in a state would have to go through a thorough background check. The association expects to achieve a "vision of a safer North America" that includes: enhanced national security, increased highway safety, reduced fraud and system abuse, more efficiency and effectiveness, and greater uniformity of processes and practices.

The recommended strategies include: improving and standardizing the initial driver's license and ID process, standardiz-

ing the definition of residency in all jurisdictions, establishing uniform procedures for serving noncitizens, and ensuring greater enforcement priority and enhanced penalties for credential fraud.

One of the key messages from the news conference was that the AAMVA supports and encourages the use of driver and vehicle databases for verification of vehicle ownership and to confirm identity. It encourages state motor vehicle agencies to use the databases of the Social Security Administration and the Immigration and Naturalization Service. Only citizens and people with visas would be able to get licenses. A license for a visa holder would expire when his visa does.

Last fall, Rep. Russell Capps, R-Wake, introduced an amendment to a bill that would have the state DMV perform much of what the AAMVA has recommended. The bill he amended was sent to a committee, but no action was taken before the end

of the legislative session. In response to AAMVA's press conference, Capps told *Carolina Journal* the recommendations were needed in North Carolina because "legislative leadership did not show the will to correct the problem."

Capps said now that AAMVA has come out

with specific proposals, he plans to revise his amendment to make it compatible with the organization's recommendations.

Heritage Foundation report

The Heritage report *Defending the American Homeland* is a 100-page, comprehensive plan to address problems related to the terrorist attacks. A few days after the attacks, the foundation assembled a Homeland Security Task Force, which it said was comprised of "some of the best homeland security experts in the world." The group, cochaired by former U.S. Attorney General Ed Meese, was asked to make specific proposals on how best to eliminate vulnerabilities exposed by the terrorist attacks.

The report outlined top priorities for protecting the nation's infrastructure, strengthening civil defense, improving intelligence and law enforcement, and for military operations to combat terrorism.

Among the specific recommendations the report called for reducing the opportunities for identity theft and fraud in state identity documents.

"False documents continue to be a major problem and the terrorists involved in the September 11 attacks showed that they will exploit those states with systems most liable to fraud. Any state that continues to run a document system subject to fraud and abuse places the lives of all Americans in jeopardy," the report said.

CJ contacted Ashcroft's office for comment on the AAMVA and Heritage reports and to the letter from Condon. A spokesman in the public affairs office said the Department of Justice had no specific comment at this time.

North Carolina update

In addition to Capps, Rep. Larry Justus, R-Henderson County, has also been working on DMV problems. Two years ago he noticed a significant number of Hispanics getting licenses at the Hendersonville offices of DMV. Most were riding in autos bearing out-of-state tags. On Jan. 13 the



American Association of Motor Vehicle Administrators President Linda Lewis.

Hendersonville Times-News praised his work on the issue even though much of what he proposed did not become law. Justus told *CJ* he would reintroduce his proposals at the first opportunity.

Rep. Fern Shubert, R-Union, told *CJ* that on Jan. 9 she asked the General Assembly bill-drafting staff to prepare a DMV bill.

The first part of her legislation would require Social Security numbers for the issuance of licenses. Visitors with visas could get licenses valid for the length of their visas. Under the legislation, taxpayer identi-

fication numbers would not be acceptable. Social Security numbers would be verified before the issuance of a license, as many other states already do.

The second part of the bill would strengthen the penalty for using false information to get a real picture ID from the state, whether a driver's license or an employee ID or any other official picture ID that can be used for boarding a plane.

The third part of her bill would require a computer match of existing licenses with Social Security numbers and invalidation of any license secured using false information. The invalidation would be effective immediately, with a provision permitting correction of unintentional errors without penalty, as opposed to intentional fraud.

Shubert's bill would require the state Board of Elections to review all voter registrations processed through DMV to identify and invalidate all people who did not meet legal requirements for citizenship and residence.

Meanwhile, the Easley administration has begun to take notice of the groundswell against driver's license fraud and its potential link to terrorism.

N.C. Department of Transportation spokesman Bill Jones told *CJ* that his department was reviewing the AAMVA recommendations and that DOT will launch a pilot project in March to verify Social Security numbers before issuing a driver's license. cJ

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- "They have been doing a great job all over the country educating people."
— President George W. Bush
- "CSE is a great organization . . . The hundreds of thousands of volunteer activists that are members of CSE are vital to this country's economic prosperity."
— U.S. Rep. Richard Burr of Winston-Salem
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— Sen. John McCain

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North Carolina CSE members protest state tax increases at an August rally in Raleigh.

School Reform Briefs

•First- and second-graders in 25 neighborhood schools across Guilford County are learning to read through Literacy First. The county's newest reading program uses a step-by-step combination approach of phonics and whole language in hopes to guarantee 85 to 90 percent of students read at grade level.

Literacy First defines specific reading skills that students must accomplish before moving on. In kindergarten that means learning the sounds of letters and recognizing rhymes.

Supt. Terry Grier has staked his reputation and more than \$1 million on the program, which serves nearly one-third of the district's schools.

Only 5 years old, Literacy First has expanded rapidly. Today it is used in 148 school districts in 10 states, but Guilford County Schools has more students in the program than any other single school district. Elizabeth City/Pasquotank Schools is the only other North Carolina district using the program.

Early results in Guilford County already look promising as the district compares scores over the last two years. Still, both Grier and Literacy First founder Bill Blocker say the program will take three years to show significant gains. Most of the money used to fund the program comes from a \$4.8 million donation the district received in May from area businesses and charitable organizations. As reported by *The News & Record* of Greensboro.

•The Department of Public Instruction released new data in December that shows the number of students dropping out of school decreasing by 9 percent, from 24,585 in 1999-00 to 22,365 in 2000-01.

Robeson County schools has the highest dropout rate of traditional public school systems. In 2001, 758 students, or 10.7 percent of students in Robeson County's high schools, dropped out of school. Many charter schools that serve exceptional or high-risk students also had a high number of dropouts. The statewide dropout average for 2000-01 is 3.86 percent.

In recent months, education standards and accountability programs have been blamed for increasing the number of high school dropouts. State Supt. Mike Ward and State Board of Education Chairman Phil Kirk both expressed concern over high dropout rates.

"Individual education plans for all students who are at-risk of not meeting standards, funds from legislature for at-risk students, and a move to improve secondary schools all are a part of our efforts to decrease the dropout rate. We have to reach students early to determine why they're not being successful in school before they choose to drop out," Ward said.

Kirk contends that the dropout problem is a community issue. "We must have high expectations for all students. We need parents, business leaders, and educators emphasizing to students that they simply must get their high school diploma first and then continue their learning for many of the jobs of today and tomorrow," he said. *CR*

Federal Education Bill to Make Waves

Accountability standards bear resemblance to existing North Carolina law

By **SHERRI JOYNER**
Assistant Editor

After a long campaign emphasizing that no child will be left behind, President Bush signed a bill Jan. 8 that will demand many states create an accountability program to measure educational performance.

H.R. 1, the "No Child Left Behind Act," will require every state to make some changes and improvements in their education system that will initiate a stronger accountability system and greater flexibility. It also will expand options and choices for parents and emphasize teaching methods that work. Bush argues that new state requirements are necessary to close the persistent achievement gap between students of different backgrounds.

New education laws

North Carolina has gained national attention for the state's ABCs accountability program, assumed by some to be one of the best programs for ensuring educational excellence. H.R. 1 may have a limited effect on North Carolina, but very few states test students annually and they are expecting many changes.

Now all states will be required to:

- Set high standards and create a system to measure results.
- Test every student in grades three through eighth in reading and math.
- Test students in science by 2007-08.
- Test Limited English Proficiency students in English after three consecutive years in the school system.
- Begin testing grades four and eight biannually using the well-accepted NAEP test.
- Ensure all students are proficient (as measured by the state) in 12 years.

Remarking how similar the bill compared to the ABCs, state Supt. Mike Ward praised the new federal bill.

"We're very pleased with the No Child Left Behind Act. It tracks very closely what is working in North Carolina and we had several opportunities to offer input into the legislation," Ward said. "The accountability parts of this legislation essentially take the best of the plans from North Carolina and Texas for the national model."

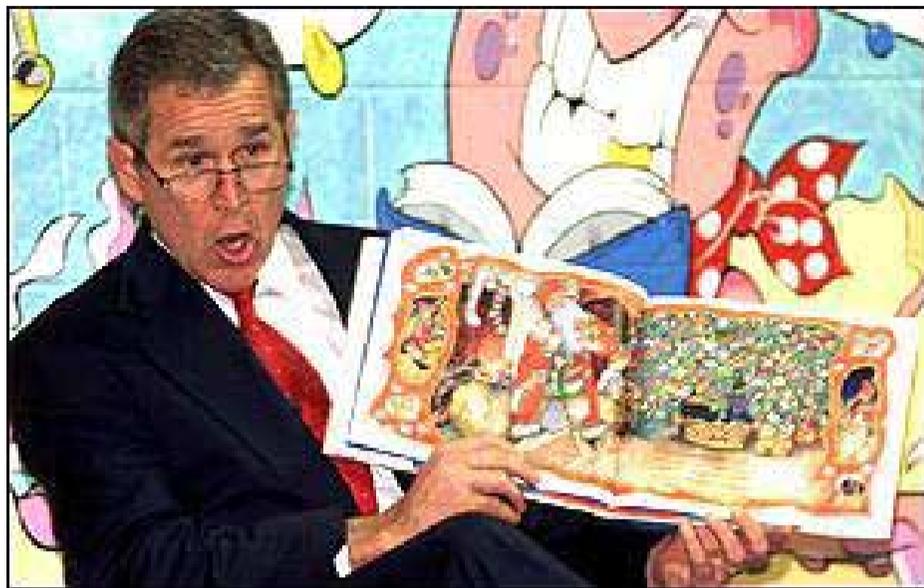
The bill also includes a limited choice option similar to a program in Florida. Students who attend schools that are considered failing two years in row have the option to attend another public school of their choice in their district. Ward backs the president's decision to include public school choice as law. "Our first emphasis should be to provide resources and support to improve these schools. If this help fails to produce better results, then youngsters should have options among other public schools," Ward said.

Systems in Cumberland and now Mecklenburg already permit significant intra-district choice regardless of whether an assigned school is considered failing.

H.R.1 also states the school must supply supplemental services, such as tutoring, from private providers if a school is deemed as failing three years in a row.

Students in persistently dangerous schools will also be allowed by law to transfer to another safer school.

While many public schools will have to make some changes, the bill specifically protects private and home schools by exempting them from federal control. Charter schools are also excluded and will continue



Bush promises to raise the number of students reading at grade level with a new federal act.

to adhere to current state charter laws.

The act also explicitly prohibits any federally sponsored national testing, any mandatory national teacher test, and any federally controlled curricula. Conservatives can also rejoice that the bill eliminates references to Goals 2000, outcome-based education, and school-to-work.

Will the bill make a difference?

A number of education observers are saying the bill will make sweeping changes in schooling across the nation.

State Board of Education members were presented with details of the bill in January so they will understand what will be required of North Carolina. The board focused briefly on the fact that teacher assistants will be required to have two years of higher education, an associates degree, or pass a formal assessment.

The bill also defines a highly qualified teacher as one who demonstrates a high level of competence in the subject area taught. States will be required to hire only teachers who have passed rigorous tests in their subject areas or who have subject-area majors or advanced degrees.

Schools in some states also may have to institute new reading instruction. The bill calls for every school to implement evidenced-based reading instruction. "The researchers tell us that 95 percent of all children will learn to read if they are taught using systematic and explicit instruction in phonics, decoding, comprehension, and literature appreciation," stated the U.S. Department of Education in describing the "No Child Left Behind Act."

North Carolina law already requires schools to use a reading curriculum that is "based on reading instructional practices for which there is strong evidence of effectiveness in existing empirical scientific research" and that includes "early and systematic phonics instruction."

While the bill may make little differences here in reading and other areas, one thing is for sure — the bill will increase federal funding coming to North Carolina by nearly \$143 million. The U.S. Department of Education will issue the extra money to guarantee highly qualified teachers, safe and drug-free schools, after-school programs for at-risk children, and academic success for disadvantaged children.

"The additional federal dollars are wel-

comed. Congress has stepped up to the plate and outlined a plan that will move our schools forward," Ward said. "We appreciate their support for our work to improve schools."

But critics of the bill say states will not be held accountable. Lisa Snell, Reason Public Policy Institute education director, noted that states have been required to administer state tests to students since 1994, yet most never complied.

"The Republicans are a long way from their 1995 agenda for abolishing the Department of Education," Snell wrote.

While the Department of Education will be gaining more power over states, the bill allows greater flexibility on how local agencies can spend federal dollars and cuts the number of federal programs. For example, Title II gives states and schools the flexibility to use federal money to offer alternative certification for teachers, issue bonuses to

teachers in high demand, and allow for merit pay.

And a key provision would allow parents of disadvantaged students to take their federal dollars to private tutoring programs if their public schools continue to fail.

"Some advocates

have derided this measure as 'after-school choice' instead of the real thing" wrote Robert Holland, a senior fellow at the Lexington Institute near Washington, D.C. "Nevertheless, it establishes the concept of portability in federal K-12 aid, which could be expanded to include vouchers for paying private tuition."

Critics of the bill argue that the bill will not offer any real reform. They also claim that states would have the ability to lower proficiency levels or make end-of-grade tests easier in an effort to keep the state from losing any federal aid. Problems with state testing and accuracy in measuring performance have already surfaced in North Carolina, Kentucky, and New York.

Roy Romer, Los Angeles superintendent of schools, said he thought the bill would tempt school administrators to lower their definitions of proficiency.

But Bush holds said the bill would make a large difference in education standards and would close the achievement gap.

"Some say it is unfair to hold disadvantaged children to rigorous standards. I say it is discrimination to require anything less. It is the soft bigotry of low expectations," Bush said. *CR*

The bill also defines a highly qualified teacher as one who demonstrates a high level of competence in his subject area.

*Preschools and state funding***N.C. Spends Millions Without Standards**

By SHERRI JOYNER

Assistant Editor

RALEIGH
About 20 percent of children in the United States under the age of 5 spend their days in center-based child-care programs. In North Carolina, this is equivalent to 108,000 children in need of quality day-care centers that teach them shapes, numbers, and ABCs before the children head off to kindergarten.

Today, few would argue against the need for early-childhood initiatives and the investment of state dollars. Most politicians, state legislatures, educators, and parents agree that children need to come to school ready to learn. To improve school readiness, more than \$200 million will be spent this year in North Carolina to fund child-care programs.

The release of "Quality Counts 2002: Building Blocks for Success" last month, a 170-plus page report from *Education Week* that focuses this year on state's efforts in early-childhood education, had reporters swooning over North Carolina's success in child-care initiatives. The report praised North Carolina's "efforts to coordinate early childhood initiatives, improve the quality of the child-care workers, and increase access to high-quality programs for disadvantaged children."

While "Quality Counts 2002" applauds North Carolina's preschool programs, it never actually measures whether children are learning. The authors base their conclusion solely on the fact that several states continue to replicate North Carolina's Smart Start program and that North Carolina continues to spend hundreds of millions of dollars on child-care initiatives every year.

Preparing children for school

Measuring which state funnels more money into child-care programs, however, does not answer the question of which state is actually doing the best job to prepare young children for school.

"The whole philosophy is wrong," said Sen. Bob Rucho, R-Mecklenburg, a supporter of state child-care initiatives who remains wary about North Carolina's programs. "Liberals think more money is always the answer."

Education Week Research Director Kathy Doherty said the report was not meant to declare which state was doing the best job in early childhood. "We really tried to lay out information on what states are doing in the field," Doherty said. "We hoped to portray that the levels of efforts were very different in many states. North Carolina was one of the states with a high amount of effort," specifically because of the state's Smart Start program and TEACH, a program aimed to increase the education and salary of childhood workers.

Smart Start, North Carolina's renowned preschool program, however, has rarely measured student progress through pre- and post-student assessments.

The program is continually praised by the Frank Porter Graham Child Development Center at the University of Chapel Hill, contending that Smart Start has increased the quality of child care available to families through "improved collaboration among the various child-care, health, and education agencies." Until experts do an assessment of the children in the program, Rucho concludes "it really has no benefits."

There is no doubt that state leaders and educators believe early child-care intervention to be important. "The problem is that by warehousing them without academic coursework, you aren't getting them ready for school, which was our original goal," Rucho said.

North Carolina may fund preschool programs more heavily than most states, but the media seemed to miss that the fact that North Carolina does not require preschool programs to teach basic education skills. Of the 39 states and the District of Columbia that finance preschool programs today, 18 specify learning standards. North Carolina isn't one of them, according to "Quality Counts 2002."

While many states set standards, the idea should not conjure up a classroom of 4-year-olds taking end-of-grade tests in our minds. States who do set standards offer them only as curriculum recommendations. Only five states — California, Connecticut, Georgia, Maryland, and Washington — require preschools to adhere to those standards, but no state actually tests young children and holds them accountable.



The number of 3- to 5-year-olds attending child-care centers has risen from 52.8 percent to 59.7 percent over the last decade.

There is no clear answer as to why North Carolina has fallen behind in setting standards for young children, but Rucho is hopeful that Gov. Mike Easley's new More at Four program will contain an academic focus.

The program, funded at \$6.5 million this first year by the General Assembly, is a community-based, voluntary prekindergarten initiative designed to prepare at-risk 4-year-olds for success. Late December, in the first round of recipients, organizations in 18 counties received grants enabling 800 at-risk 4-year-olds to enroll in pre-K programs. Another round of funding scheduled for late January should boost the number of children served by the program to 1,500.

"North Carolina is taking the steps necessary to close the achievement gap in education that has been tolerated in this state for far too long," Easley said. "The nation's top leaders in early-childhood education have said that prekindergarten programs such as More at Four and class-size reduction are proven ways to give students the tools they need to succeed in school. Better-prepared students are more likely to stay in school, stay out of trouble, graduate, and go to college."

At a cost of \$4,300 per student, More at Four spends less than past programs and differs markedly Smart Start, Jim Hunt's brainchild that spent hundreds of millions each year on early childhood education.

As a result of fiscal problems and cuts in this year's budget, funding for Smart Start was reduced by nearly \$60 million to make way for Easley's own education agenda. Paula Wolf, chief lobbyist for the Covenant with North Carolina's Children, told *Education Week* "when we have a budget shortfall, [legislators] have the perfect excuse" to stall funding.

But Rucho contends that the state should not fund any preschool initiative that fails to make education a priority. Using this criteria, Smart Start should fall at the bottom of legislators' list to receive state funds. The program fails to set education standards, and only 70 percent of the funding is used for child care. The other 30 percent can be used for other purposes, such as health care and family support services.

"I don't care what you call the program, More at Four, Bright Beginning, or even Smart Start," Rucho said. "The important factor is that you keep the curriculum and the focus of the program academic." CJ

"Quality Counts 2002: Building Block for Success" is available from the *Education Week* website at <http://www.Edweek.org>.

Needed Changes for Accountability

Accountability in education has been discussed, debated, politicized, state-legislated, and finally, has made its way into federal policy. We have witnessed this trend over the last few decades, but it is nothing extraordinary. The trend represents merely a desire to observe what is being taught and to determine whether students have learned. Like many other issues, however, standards and assessments are shadowed by complicated factors. Retention, and readiness, among other issues emanating from the state's educators, complicate accountability, keeping educators and the public confused about expectations. To ensure North Carolina's children are receiving a world-class education we should look at improving three components of our state's system: standards, assessments, and proficiency.

I believe standards are the most important issue today in public education. They not only drive state assessments, but they directly determine what is taught in every classroom in this state. As a teacher and a school board member, I learned that many teachers in the state do not have a clear understanding and knowledge of what is expected in every subject, at every grade level. The state continues to hold educators accountable for the mumbo-jumbo that exists in the standard course of study. When objectives are not understandable, teachers personally interpret curriculum expectations. I have concerns that math objectives have been dumbed down over the years by moving specific skill requirements to higher grades. To succeed in our ambitions of educational success for all children, we first need to refocus our efforts to ensure North Carolina's standards are clear, concise, measurable, and grade-appropriate.

The second component, the quality of assessments, must also be tackled. The question "Is this a good test?" must be answered. In North Carolina we develop, sample, and verify the tests we use to measure student progress each year. Do we really have to reinvent the wheel? I don't think so. Even after serving on the state's Standards and Accountability Committee, which advised the State Board of Education on these issues, I never came across a worthy reason. There are several achievement tests that are produced by testing companies, which are well-liked, valid, and norm-referenced so comparisons can be made to students across the country. These assessments also cover additional subjects, including science and social studies that would be advantageous for our state to test.

The last component, proficiency, simply poses the question "If we continue to create our own state tests, where should we set the cutoff scores?" The proficiency level must be a first-rate guide of what needs to be expected of every student. On last year's math proficiency exam, our fifth-graders were required to answer only 28 percent of all questions correctly to be proficient. This fiasco demonstrated that our state does not always measure proficiency properly and begs the question of whether states should create their own tests. For assessments to meet the intended purpose, they must give parents and teachers a guide to measure students' strengths and weaknesses in various subjects. The assessments then become not only an accountability instrument, but also a tool for further academic preparation. We must ask whether our education system is setting the bar too low for our children.

Standards and assessments are here to stay; the challenge of the future will be "what standards" and "what assessment?" For those of us concerned about educational equity, closing the gap, and high achievement, we must strive to ensure our public school system requires high standards and honestly measures proficiency through quality assessments. CJ



Lindalyn Kakedelis

School Reform News From Across the Nation

Agency Lists Top 10 Quotes

The Education Intelligence Agency gathered the 10 best public education quotes of the year 2001. So, for the benefit of our readers we would like to share them with you — Enjoy!

10) "The most popular form of choice is a choice system called the suburbs." — Dr. Joe Nathan of the Center for School Change, speaking at the National School Public Relations Association conference in Minneapolis on July 11.



9) "I would say that it is not a good thing that we ask students to forge their parents' signatures, but if these students had done what they should have done for this form three months ago, we would not be in the position where we need to look for shortcuts." — David Smith, principal of West Springfield High School in Virginia, after it was revealed school officials told students to forge their parents' signatures on a form the district uses to apply for federal funding. (*Associated Press*, April 5)

8) "However, one thing I am sure of is that we are not truly listening to all of our members. All the Association feedback we have to review — both nationally and in Ohio, supports this conclusion. In particular, we are not listening to our newer and younger members. It's time for me to be more specific. I know that all my suggestions are not perfect. They are my best thinking today. What would we really do differently if we really did listen to our members? First, we would very rarely, if ever again, give a cent to a politician or a political party." — Former Ohio Education Association Executive Director Robert Barkley, giving his farewell speech at OEA's Representative Assembly in December 2000.

7) "Personally, I don't think there are bad teachers." — Julie Nau, president of Wake-NCAE, the Wake County affiliate of the North Carolina Association of Educators. (*The News & Observer* of Raleigh, Jan. 31)

6) "This is not about taxation — this is about people's lives." — Nevada State Education Association President Elaine Lancaster, presenting a proposal for a 5 percent business profits tax at a press conference March 20.

5) "This is no longer about the school district. This is about democracy versus totalitarianism." — San Diego Education Association President Marc Knapp, in "An Open Letter to All Citizens of San Diego," expressing his concern about the school board and the superintendent.

4) "We do not believe that charter schools ought to exist just as a choice." — Eddie Davis, chairman of the NEA Special Committee on Charter Schools, while presenting the committee's report to the NEA Representative Assembly July 5.

3) "Folks, we're in trouble. If we were in private business, we'd be out of busi-

ness." — Kenneth Burnley, chief executive officer of the Detroit Public Schools. (*Detroit News*, April 6)

2) "Black people can be gullible." — Andre J. Hornsby, president of the National Alliance of Black School Educators, offering his explanation for the high rate of African-American support for school choice. (*Education Week*, May 30)

1) "Parents are some of the worst enemies we have." — Gay Campbell, director of communications of the Everett School District in Washington, speaking on July 10 specifically about efforts to pass school levies. Campbell was emphasizing to attendees at the National School Public Relations Association conference not to assume support from any particular group when running a levy campaign.

Student surveys and the law

A New Jersey school district broke a federal law two years ago when it surveyed students on drugs, sex, and other sensitive topics, the U.S. Department of Education has declared. The 5,200-student Ridgewood, N.J., district violated the federal Protection of Pupil Rights Amendment by requiring almost 2,000 students to answer questions about their sexual habits, experience with drugs and alcohol, and mental health in a 156-question poll paid for with federal Goals 2000 money, according to the department ruling issued in February.

Prompted by complaints from several Ridgewood parents, the decision is based largely on affidavits from four students who said they believed the survey in the fall of 1999 was mandatory.

In reaction, New Jersey's outgoing Gov. Donald DiFrancesco signed a bill requiring public schools to obtain written consent from parents before issuing personal surveys to students.

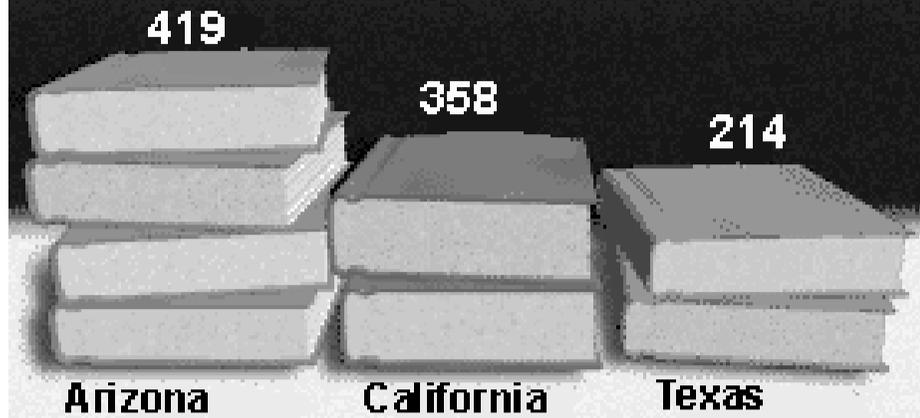
Federal law already requires written parental consent for personal student surveys conducted with federal funds. The New Jersey law expands that requirement to any public school survey, regardless of its funding source. As reported by *Education Week* and *The Washington Times*.

Back in the classroom

California will be the first state to offer a new curriculum to bring more than a million elementary school students who are learning English into mainstream reading and language arts classes. The new textbooks are intended to allow teachers to deliver the same standards-based curriculum to students of varying levels of English ability.

The new approach was created as an antidote to California's much-criticized English-as-a-second-language method of teaching English learners.

The new material supports 2 1/2 hours of reading and language arts instruction a day for all students in kindergarten through third grades — plus 30 to 45 minutes of extra language development instruction. As reported by BayArea.com. *CT*

Where charter schools thrive
(schools open or approved)

Makes recommendation to General Assembly

State Board Straddles Fence
in Decision to Expand Charters

By SHERRI JOYNER
Assistant Editor

RALEIGH

The final decision is in, and it came with as much controversy and mixed opinions as it started out with five years ago. After two days of urging from Board Chairman Phil Kirk to make a decision, the State Board of Education decided in December to recommend that the General Assembly expand the 100-charter school cap to 110 schools in 2003-2004, pending certain requirements being met.

The requirements include safeguards that charters are financially stable, that a certain percentage of their teachers are certified, and that new schools are given adequate planning time.

Lt. Gov. Beverly Perdue backed the board's decision. In the board meeting she insisted that expansion should be postponed until charter schools were meeting all recommended guidelines and laws.

The decision, however, still failed to dispel controversy. Critics would like to see the charter school movement terminated, while advocates hoped for greater expansion.

If the General Assembly agrees to expand at the rate recommended by the board, it will come at a much slower pace than what was originally suggested by the Charter School Advisory Committee.

The Advisory Committee unanimously decided in December that the number of charter schools should be expanded by about 10 percent each year, or 10 schools a year.

But board members expressed concern over growth of charters and decided that a onetime expansion was best for the state.

Although charter schools are required by law to have a teaching staff of at least 75 percent who are certified in kindergarten through fifth grades and 50 percent in higher grades, about 20 percent of charter schools fail to meet teacher certification laws, according to recent evidence from the Office of Charter Schools.

Concerned by the data, Kirk insisted that further attention would be paid to ensure the discontinuance of this practice.

"It is unconscionable that we are allowing schools to stay open who aren't meeting teaching requirements," Kirk said.

Because of mandated cutbacks during the state's budget crunch, board members also expressed concern that the Department of Public Instruction does not have adequate revenue to fund additional charter schools.

The Charter School Office reported that two to three employees would have to be hired each year to help in a variety of departments if charter schools were expanded.

Perdue urged the board to consider whether scarce funding should be allocated for expansion. Other board members said they could not recommend hiring additional employees when the state has already asked DPI to cut 25 positions.

But Kirk, who has long supported the expansion of charter schools, said that while money was certainly an issue, the board should not use it as an excuse.

"If you're for expansion of charter schools, you also have to be realistic about resources of legislation," Kirk said.

Advocates of charters were enraged that board members suggested the state hold districts harmless.

According to Roger Gerber, president of the League of Charter

Schools, the recommendation would null the effect of competition by asking the state to fund traditional public schools at a set rate — under the recognition that schools operate with fixed costs. Currently, the traditional public schools system loses per-pupil funding of a student when he transfers to a charter school. Board members said they were concerned that the loss of money would cause the ruination of the public school system.

But charter supporters argue that funding should follow the students, allowing those schools who are doing well to succeed, and causing failing schools to close.

The decision from the board lacked all-around support or denial for charters and could be termed as the board's effort to compromise.

But Gerber, who is also a member of the Charter School Advisory Committee, called the decision simply "pathetic."

"The board does not understand the concept of parental choice and market forces," Gerber said. "It's fine for the rich people to have a choice, but they don't want to empower low- and middle-income families." *CT*

The decision from the board lacked all-around support or denial for charters and could be termed as compromise.

*School Innovation Spotlight***Low-Income Students Succeed in Rural Brunswick County**By **SHERRI JOYNER**

Assistant Editor

If you are looking to count which school has received the most awards and recognitions in North Carolina, Waccamaw Elementary School would end up on the top of your list.

Since the ABCs, North Carolina's accountability program, was introduced in 1996, the school hasn't missed a year categorized as an "exemplary school." For the past two years Waccamaw was recognized as a "school of distinction." And in 2001 it was recognized nationally as a "blue ribbon school" and a "Title I school of distinction" — one of only two schools in the nation to receive both awards that year.

In addition, WES has been named one of the 10 "Title I distinguished schools in North Carolina" and the "school of the day" by the American School Directory. WES has gained so much attention, real estate agents are using it in advertisements.

Terry Chestnutt, principal at Waccamaw, has reason to be proud of the school's all-around success. Proficiency rates in reading and math have soared. Eighth-grade reading proficiency increased from 57.8 percent in 1995-1996 to 92.5 percent in 1999-2000, with other grades showing equally impressive gains.

"The secret to success at WES is simple: strong community support," said Chestnutt. WES has been formally adopted by 26 organizations, including every church in its area, the Chamber of Commerce, Community in Schools, VFW Post and Ladies Auxiliary, the Sheriff's Department and the Highway Patrol. Additionally, the school has 70 volunteers to help with after-school and Saturday tutoring.

"Our learning family is truly dedicated, and their loyalty in giving to the students is obvious to all who enter our doors," Chestnutt said.

Known as "the learning place — where everyone succeeds," WES teachers strive to help each student achieve his best. The school prides itself on teamwork and dedication, following the principles of *Elements of Instruction*, Madeleine Hunter's teaching program that is based on specific standards.

Teacher turnover at the school also remains low because teachers feel a sense of ownership. Most teachers stay throughout their careers.

Chestnutt stresses that teachers and staff must feel like they are part of the family. "In a time where many school districts are strugg-

ASH



State Supt. Mike Ward (far left) and chairman of the state Board of Education Phil Kirk (far right) present the "blue ribbon" award to Brunswick County Supt. Marion Wise, Chestnutt, Kay Thompson, and Rhonda Benton of Waccamaw.

ling, we feel a sense of pride that is rarely found anymore," he said. "We all have a shared vision. We emphasize the importance of each child in a nurturing atmosphere where students feel safe and where they want to learn."

Chestnutt believes the No. 1 factor that has made his school successful is the nurturing and caring environment that comes about from the combination of a strong instructional staff and an active community base. "People say it feels different when they walk in the door, it's safe and attractive, with high expectations."

Everyone who enters WES can tell it is different. The school houses 550 students in kinder-

garten through eighth grade — not a common combination for schools in the state. The assimilation of elementary and middle schools clearly has its advantages by defusing the angst many children feel during the transition between these grades.

Serving at-risk students

Because of its location in rural Brunswick County, many students also come from low-income families who rely on agriculture jobs. About 65 percent of the students receive free or reduced lunches.

"Our philosophy here is every child can be successful. There is no such thing as maintaining. You either go forward or backward. At Waccamaw there is no failure, just

success, one student at a time," Chestnutt said.

Each year, the school focuses on improving the academic achievement of at-risk students. It seems to be working. In 2001, 83 percent of students in the school scored at grade level on end-of-grade tests.

WES uses Title I funds and Reading Recovery for early intervention. Reading Recovery, the popular program many Title

I schools use, tests children with computer exams for reading comprehension and encourages reading, using an awards system.

The school also uses personal education plans of every at-risk student. These plans target individual needs, list strategies to meet the desired goals, and follow the student from grade to grade.

Learning responsibility

To emphasize the importance of individual responsibility, students, parents, and teachers sign a Student Accountability Agreement at the beginning of each school year. The agreement outlines and defines each stakeholder's responsibility. The accord has gained particular popularity because it enables students to focus on their goals for the year.

Individual classrooms also recite the Pledge of Allegiance together each morning. In one second-grade class, a personal pledge to do one's best in school and the National Anthem follows.

The school also participates in a character education program that promotes personal growth and citizenship through a variety of classroom programs.

By holding children accountable and teaching character training, "we hope to foster each child's personal and intellectual growth as well as provide opportunities which help to mold productive citizens capable of making significant contributions to society," Chestnutt said. *CT*

CAROLINA JOURNAL Publisher John Hood Garners Praise for His Most Recent Book:

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Course of the Month

This installment might better be titled "Text of the Month" because it focuses on a textbook used in a North Carolina State University course:

ELP 344: SCHOOL AND SOCIETY

The interrelationship between the school and other institutions, values, and patterns of thought in American society.

The text for this course is *School and Society: Historical and Contemporary Perspectives*, Fourth Edition, by Steven E. Tozer, Paul C. Violas, and Guy Senese.

In Part One of the text, under the topic header "Introduction: Conducting Inquiry Into School and Society," the authors give a list of questions to ask in assessing the quality of public schools:

Individuals and the mass media often express concern about the overall quality of the public schools system. Is it equipping the young to support themselves in a changing economy? Is it promoting an equitable society by educating all our students? Is it equipping them with the skills and attitudes needed to live in a society that is increasingly diverse and pluralistic? Is it teaching them to respect and protect an increasingly endangered environment? In short, how well does our nation's public school system [sic] serve the major needs of our society?

Now if a parent were asked about the quality of a school, chances are he would want to know: *Are the kids learning to read? Are they being taught how to write? Do they know how to do arithmetic? Are they taught the Golden Rule? Do they know their nation's history? Can they find the hometown, their state, their nation, etc., on a map? Can they spell correctly? Do they understand how language works? and so forth — and not, say, Well, gee, do the kids celebrate diversity? Are they sufficiently scared by environmental hucksters? Are they socialists yet? Well, are they?*

The next section of the text, "The Place of Social Foundations in Teacher Education," addresses what the authors must have realized was a key concern:

You may well think, "That's all very interesting, but how is it going to make me a better teacher? Wouldn't it be better to spend this time studying methods that are successful in today's classrooms?"

Wouldn't it, though? Still, the authors' answer is no:

While study and practice of teaching methods are a central part of teacher preparation, methods make sense only in particular social contexts and to achieve specific goals.

As already established, those goals do not include scholastic preparation of students, only social preparation.

The authors further note that "These goals, for students and for the wider society, are not always agreed upon." One wants to say, except that the expression is sadly antiquated by the current state of teacher preparation, *elementary!*

Some (parents, for instance) believe schools are for inculcating scholarship within their children, and some (teacher-education types, for example) believe that schools are recruiting grounds for their political causes. CJ

Sponsored by State Sen. Martin, other Democrats

N.C. Bill Would Allow Illegal Immigrants To Pay In-State Tuition to Attend Colleges

By JON SANDERS

Assistant Editor

RALEIGH

Some illegal immigrants may now pay resident tuition to attend public universities in California, thanks to legislation signed last year by Gov. Gray Davis and a vote this week by the University of California Board of Regents. In North Carolina, a bill before the Senate would create a commission to study doing the same thing here.

The California legislation places some requirements on illegal immigrants to qualify for in-state tuition. They must attend a California high school for three years, graduate, and pledge to apply for permanent residence as soon as they are eligible.

In North Carolina, Senate Bill 812, introduced by Sen. William N. Martin, D-Guilford, would require illegal immigrants to have two years' attendance at a N.C. high school and graduation in order to qualify for in-state tuition at University of North Carolina system schools and North Carolina community colleges. Other senators sponsoring the bill are: Charles Albertson, D-Duplin; Walter Dalton, D-Cleveland; Linda Garrou, D-Forsyth; Wib Gulley, D-Durham; Eleanor Kinnaird, D-Chatham; Howard Lee, D-Chatham; Jeanne Hopkins Lucas, D-Durham; and Allen Wellons, D-Franklin.

A staff member for Martin said the bill is pending in the Rules and Operations Committee and possibly could be taken up in the upcoming short session.

Illegal immigrants can qualify for in-state tuition in Texas, and other states — Minnesota, Utah, and Washington — are



Sen. William N. Martin, D-Guilford

debating whether to allow illegal immigrants to attend public postsecondary institutions at in-state rates.

Illegal immigration has become a much greater national concern since the terrorist attacks on New York and Washington, and the revelation that many of the terrorists and would-be terrorists were in the country illegally. In November officials at the City University of New York reversed a longstanding policy that had allowed illegal immigrants to pay in-state tuition rates. CUNY's vice chancellor for legal affairs, Frederick P. Schaffer, said the policy violated federal immigration law.

Sen. Virginia Foxx, R-Alleghany, said providing in-state tuition to illegal immi-

grants would open "a Pandora's Box" of trouble for North Carolina, from not just illegal immigrants but other people who want to pay in-state tuition, whom she said would be incensed if illegal immigrants were given the benefit. Foxx said, for example, families owning second homes in North Carolina aren't given in-state tuition rates, even though they pay taxes on their property in North Carolina.

The difference between in-state tuition and fees and out-of-state tuition and fees at, for example, North Carolina State University for the academic year 2001-02 was \$9,166: in-state tuition and fees were \$2,746, and out-of-state tuition and fees were \$11,912. If illegal immigrants were allowed to pay resident tuition, then that would mean that an illegal immigrant at N.C. State would pay less than one-fourth of what of a legal resident of, say, Virginia — an American citizen — would be charged.

"I cannot imagine how we would do that," Foxx said of providing in-state tuition rates to illegal immigrants. "The rules on in-state tuition are among the toughest rules in education."

"Why should taxpayers have to put up with this kind of foolishness from their legislators?" asked Jerry Agar, a radio talk-show host at WPTF AM 680 in Raleigh. Agar, a legal immigrant from Canada, said, "To me, as an immigrant, that doesn't seem right. I can't find any way to make that right. Yet people fight the battle for illegal immigrants to be given a practically free education at the expense of taxpayers, while people coming from another state who've obeyed the law all their life and were born in this country must pay more." CJ

UNC-Chapel Hill Ranks Third in Faculty Salary Increases

By JON SANDERS

Assistant Editor

RALEIGH

A study by the Pope Center for Higher Education Policy has found that the University of North Carolina at Chapel Hill received the third-highest percentage increase in faculty salaries among its peer institutions from the 1992-93 academic year to 2000-01.

The study, "Faculty Compensation in North Carolina" (Pope Center *Inquiry* No. 12), compared 139 institutions classified by the Carnegie Foundation for the Advancement of Teaching as "Doctoral/Research-Extensive," of which in North Carolina there are three: UNC-CH, North Carolina State University, and Duke University.

UNC-CH's faculty salaries increased by 50.4 percent during the study period, behind only Georgia State University, at 60.3 percent, and Georgia Institute of Technology, at 56.3 percent.

N.C. State's smaller increase of 41 percent ranked 31st among the 139 institutions; the difference between its increase and UNC-CH's is probably attributable to the N.C. State faculty's decision in 1996-97 to forego a salary increase in favor of improving the university library.

Duke University's increase of 36.9 percent ranked 56th out of the 139 institutions in the study.

UNC-CH's increase is also greater than those of all its 16 "peer institutions."

The study is available online at www.popecenter.org. CJ

Percentage Change in Faculty Salaries at Doctoral/Research-Extensive¹ Institutions, 1992-2001

Rank	School ²	Full Prof	Assoc prof (rank)	Asst prof (rank)
1	Georgia State U.	60.3	43.2 (11)	42.1 (14)
2	Georgia Inst. of Tech.	56.3	46.0 (7)	38.1 (30)
3	UNC-Chapel Hill	50.4	47.8 (3)	48.1 (4)
4	Emory U.*	50.1	37.9 (30)	39.3 (26)
5	Old Dominion U.	50.0	37.0 (33)	36.3 (42)
6	U. of Missouri-Columbia	48.9	44.7 (8)	31.3 (72)
7	U. of Virginia*	48.3	49.4 (2)	43.3 (9)
8	Boston C.	47.0	32.0 (76)	19.2 (133)
9	UC-Los Angeles*	46.6	40.6 (18)	46.9 (6)
10	Virginia Commonwealth U.	45.8	40.5 (19)	36.6 (37)
...				
12	U. of Michigan-Ann Arbor*	43.9	35.7 (48)	33.3 (59)
14	U. of Chicago*	43.6	38.7 (27)	31.8 (68)
15	U. of New Hampshire	43.0	40.5 (19)	35.5 (47)
17	U. of Illinois-Urbana-Champaign*	42.5	37.0 (33)	36.2 (43)
18	UC-Berkeley*	42.4	36.3 (45)	39.5 (24)
27	U. of Pennsylvania*	41.7	38.5 (29)	42.2 (12)
31	N.C. State U.	41.0	44.6 (9)	41.6 (15)
37	U. of Florida*	39.9	49.8 (1)	40.9 (19)
45	Stanford U.*	38.9	36.8 (37)	38.2 (28)
49	U. of Wisconsin-Madison*	38.0	40.5 (19)	40.4 (21)
56	Duke U.*	36.9	31.7 (80)	35.6 (46)
85	Ohio State U.*	34.0	31.0 (89)	32.7 (62)
87	U. of Texas at Austin*	33.9	33.0 (62)	40.4 (21)
102	Vanderbilt U.*	30.8	33.8 (58)	28.0 (99)
114	U. of Washington*	28.2	33.5 (61)	29.8 (87)

¹ As classified by the Carnegie Foundation for the Advancement of Teaching.
² Institutions marked with an asterisk (*) are "peer institutions" of UNC-Chapel Hill's self-selected "peer institutions."

Source: "Faculty Compensation in North Carolina," Pope Center for Higher Education Policy *Inquiry* No. 12, Sept. 1, 2001



Students protested against tuition increases and budget cuts last May at North Carolina State University in Raleigh.

UNC Schools Discuss Raising Tuition Again; Students' Outcry Falls Short of Last Year's

By JON SANDERS
Assistant Editor

Hillsborough Street was engulfed. Hundreds of college students from around the state marched from North Carolina State University to the North Carolina General Assembly building to protest a proposed reduction in state appropriations to the University of North Carolina system and large tuition increases for UNC students. With students waving signs, playing band instruments, chanting, and ogling for the myriad television news camera crews, the scene resembled a modern-day renaissance festival in blue jeans.

That was last May. Less than a year later, tuition increases are again being proposed for several UNC schools, yet the streets are so silent, the student reaction so anemic, one would think a tumbleweed is more likely to blow down the street than a tuition protest.

Despite the May display, students were so mute as legislators debated a 9 percent, retroactive tuition increase for all UNC system students (which passed Aug. 30) that *The Daily Tar Heel* wrote a story about it, "Low Turnout for Anti-Tuition Rally Frustrates Leaders," on Aug. 28. "Despite the possibility of additional charges," the *DTH* noted, referring to the tuition increase, "rally organizers had difficulty enticing student involvement."

"When have students really cared about how much their parents are paying for them?" asked Dr. Roy Cordato, vice president for research at the John Locke Foundation.

Recent Forums Draw Few Students

In January, the UNC-Chapel Hill Board of Trustees recommended raising tuition there by \$400. Meetings to plan student demonstrations against that tuition increase drew fewer than two dozen students. A Jan. 22 forum sponsored by the Graduate and Professional Student Federation attracted no more than nine students. According to the *DTH* of Jan. 23, the GPSF "forum was designed to give students a chance to speak out on the one-year, \$400 tuition increase" two days before the trustees were to meet to vote on the recommendation.

Cogent quotations were culled by *DTH* reporter John Frank from the sparse attendance. "I don't think [students] realized what [a tuition increase] is going to do to them," first-year medical student Branson Page told him. "It kind of sucks this is all that's here."

Event organizer James Alstrum-Acedo, while disappointed, told Frank he hoped more students would attend the rally conducted Jan. 24 at the Old Well.

"If (students) really feel strongly, then hopefully they will make their voice heard," Alstrum-Acedo said. As it turned out, only 40 students participated.

Other UNC schools are considering increasing tuition,

including N.C. State, whose own Board of Trustees will consider recommending an increase in tuition at its meeting in late February. Also mulling tuition increases are North Carolina Central University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural & Technical State University, UNC-Greensboro, UNC-Wilmington, and Western Carolina University.

In January, UNC-CH's student government posted an online survey to poll student opinion on tuition increases, and to no one's surprise the poll found a majority of students opposed to any increases. The poll asked students to choose among tuition increases of \$0, \$100, \$200, and \$400 in answering which proposed amounts for increasing tuition were the "lowest reasonable," "highest affordable," and also each voting student's "personal preference." Nearly 600 students took part in the poll, and student government leaders planned to draw from poll results in asking trustees to back away from tuition increases.

An alternative reading of that poll from what student leaders were pushing (a 51.4 percent majority of students said no increase was the "lowest reasonable" increase, and a third said no increase was the "highest affordable"), however, seemed to indicate why the anti-tuition-increase movement on campus was moribund. Nearly half (49.6 percent) considered some increase in tuition "reasonable," two-thirds said they could afford some increase in tuition, and more than a third even admitted to preferring some tuition increase.

As reported in last month's *CAROLINA JOURNAL*, even with the recent increases in tuition and fees at UNC system schools, "costs to attend UNC schools are still lower than regional and U.S. averages of total fees and tuition."

The average student cost in tuition at fees to attend college in the South was 33 percent higher than the average student cost to attend a UNC institution, and the average student cost to attend college nationally was 56 percent higher.

Another reason for the flaccid movement against tuition increases could be that the universities themselves are no longer hijacking it to strong-arm the legislature away from budget cuts. The rally last May included faculty members and even Chancellor Marye Anne Fox, and N.C. State University actively supported the rally.

As *CAROLINA JOURNAL* reported in June 2001, "N.C. State lent support to the students for the event, allowing N.C. State Marching Band instruments to be used in the rally, providing sound equipment, and even sending a university bus to the rally, perhaps carrying the table, cups, and the Gatorade coolers the university provided to refresh the protesters."

With the universities themselves seeking the increase, and with budget cuts off the table, students against tuition increases were left to mobilize on their own, sans refreshments, buses, and TV news camera crews. *CI*

Voices of Campus Conservatives Muffled at UNC-CH

By RHETA BURTON
Editorial Intern

CHAPEL HILL

This is my final year at UNC-Chapel Hill. I will miss walking around the quad, looking at the beautiful flowers around the Old Well, talking with friends, spending late nights at Davis Library studying for an exam. Yes, I will miss that.

I will not miss, however, all the left-wing fanatics who have protested so much for their "voices to be heard." Please, their voices are heard all throughout the year. The voices that aren't heard quite as often are the reasoned, thoughtful, concerned voices of conservatives.

Conservatives have to fight to get their voice heard on campus. It's time that the university reach out to the conservative voices of campus and bring in speakers of like thought and philosophy to encourage conservative ideas, too.

We conservatives have to struggle for our voice to be heard. For example, while UNC-CH's academic departments and faculty members line up with left-wing student groups to bring in liberal speakers and war protesters, we conservative students have to scrape to sponsor conservative speakers on our own and then work to achieve funding for it.

You might have heard about the last time conservatives brought a speaker in: it was David Horowitz, who spoke about the war on terrorism and the campus-sponsored left-wing peace rallies. The College Republicans acting on their own brought Horowitz in; no faculty or departments acted as co-sponsors. The reason you probably heard about it is because whenever a conservative speaks at UNC-CH, it's news. It's unusual. When a liberal speaks, it's just another day.

Take when Ward Connerly came to UNC-CH several years ago. His appearance, sponsored by the conservative student organization Common Sense, sparked large and loud protests because Connerly was "a black guy who wasn't for affirmative action" (in sharp deviation from the normal campus perspective that a black person should support affirmative action). Even now it was a bellwether — because it was unique — event.

When I was a freshman, conservatives tried to bring in Charlton Heston of the National Rifle Association to speak. Here was a chance to hear a respected actor and activist. He favored the Second Amendment, however, and Student Congress held off on funding the event until Heston canceled.

Conservatives have to struggle hard to get representation of their "voice" on campus often because the liberals protest that the conservative's appearance is hurtful or offensive. As a conservative, I am "hurt" and "offended" that the university brought in Dr. Jocelyn Elders for the celebration of Dr. Martin Luther King, Jr. I am offended that Sen. Russ Feingold was invited to campus to talk about how he was the only U.S. senator to vote against the anti-terrorism bill. I am offended when coalitions of professors form to protest "sweatshops" and war efforts.

I challenge all the conservative faculty members at UNC-CH to form their own network and start debating their fellow employees on issues dealing with university and other matters. It's high time for UNC-CH to start reaching out to the other side if they want to continue to claim the ideal of being a "diverse" university.

Diverse, according to Webster's dictionary, means "different, varied." If that is the goal for UNC-CH, if diversity in political thought and philosophy is part of UNC-CH's diversity, then it has a lot of catching up to do for conservatives. *CI*



Rheta Burton

Bats in the Belltower

Sample List of Courses for the Abandoned UNC-CH-Qatar

Although the University of North Carolina at Chapel Hill has turned down the proposal from the Qatar Foundation for Education, Science, and Community Development to establish a campus of the Kenan-Flagler School of Business in the Middle Eastern country, the university had done a great deal of work creating courses to be offered by "UNC-CH-Q." *The Daily Tar Heel* reported Jan. 16, for example, that Tom Tweed, associate dean for undergraduate curricula and member of the Qatar Planning Committee, "said the committee's main goal was to create an arts & sciences curriculum similar in structure to that of UNC, while adapting it to a Qatari context."

The curriculum "also includes a cultural diversity requirement," reported the *DTH*. "Like UNC programs designed to enlighten students on ethnic, racial and cultural differences within the country, Qatari course offerings would reflect diversity within the region." Tweed said the goal was "to move what we thought was great about Chapel Hill to Doha."

An anonymous source sent *CAROLINA JOURNAL* a sample list of the proposed courses for UNC-CH-Q. The list contained courses from existing academic departments within UNC-CH, some with descriptions and some without.

Note: As is the nature of anything received on *CJ's* Rumor Fax Line, *CJ* cannot vouch for the accuracy of this list.

Proposed UNC-CH-Q courses: Sample listing

Curriculum in American Studies

- AMER 101: Introduction to the Great Satan

Students in this course will seek answers to the following questions: What is the United States of America? Why are Americans under Israel's thumb? Why won't they stay out of our business? Why won't they do business with us more?

Department of Anthropology

- ANTH 315: Amnesty International

This course will explore the history of this meddling organization and its record of being continually foiled by our government.

Department of Communication Studies

- COMM 333: Al-Jazeera

An in-depth look at the mother of all cable news networks. Texts will include *Al-Jazeera: Equal Time*, by Mullah Omar, and *Isthay Roadcastbay Ontainscay Onay Ecrescay Essagesmay*, by Osama bin Laden.

- COM 400: Advanced Censorship

Through the study and the application of the principles of [], students will learn _____ and mmmph, with a focus on*.

Environmental Science and Studies

- ENV 300: Global Warming

In this course students will tackle key concerns about global warming: 1) Do not the Europeans know we already live



in a desert?; 2) Tell those idiots to stop whining about automobile pollution and keep buying our oil; 3) It's probably a Zionist plot.

Dept. of Exercise and Sport Sciences
• SPRT 150: Fully Clothed Soccer

Department of History

- HST 101: The Crusades, Then and Now

Department of Marine Sciences

- MRN 305: The U.S. Marines

In this course students will study the tactics of the sneaky infidels, with attention paid to land and sea maneuvers. Guest lecturers will include former Iraqi Republican Guard members who outsmarted them by surrendering to unwitting U.S. media.

Curriculum in Peace, War, and Defense

- PWD 101: The Israeli War Machine

This course will explore how the Zionist plague occupied and raped Palestinian land and dispersed its native inhabitants.

Department of Political Science

- POLI 130: Political and Religious Freedom

Students will explore issues surrounding this aberration of the decadent West and consider the devastating effects it has wrought on people around the world.

- POLI 260: Iran, Symbol of Democracy We Should All Emulate

This course will examine the theocratic government of Iran and what we all can learn from the example of its tolerance. Guest lecturer: Sheik Hamad Ibn Khalifa Al-Thani.

Dept. of Recreation, Leisure Studies

- REC 410: Seminar in Sand Management

Department of Sociology

- SOC 105: Understanding Diversity

This course will explore key issues facing diversity, such as, What is diversity? Does it involve Jews? Christians? Buddhists? Color: Does it matter, or may we wear whatever hue we like?

Curriculum in Women's Studies

- WST 305: Our Bodies, Out of Sight, Out of Mind

CJ

Poll of Ivy League Professors Finds Liberal 'Uniformity'

By JON SANDERS
Assistant Editor

RALEIGH

A poll of professors' political attitudes released in January suggests that all the talk coming from Ivy League universities about "diversity" doesn't extend to politics.

The poll, conducted for the Center for the Study of Popular Culture by Luntz Research Companies, asked 151 professors in the social sciences and liberal arts at Ivy League universities about their political opinions and their voting.

The poll, which had a margin of error of 8 percent, found a surprising large majority of professors sharing the same opinion, sometimes nearing unanimity, about certain issues — often in contrast with other Americans' responses to such issues. The contrast between Ivy League professors' opinions and the opinions of other Americans is striking. The findings:

- Only 3 percent of Ivy League professors identify themselves as Republican. Also, 57 percent identified themselves as Democrat, and 20 percent identified themselves as independent. At 6 percent, twice as many identified themselves as Green Party or other than as Republican. Nationally, the largest plurality of voters identify themselves as Republicans, at 37 percent; 34 percent of voters identify themselves as Democrats.

- Only 9 percent voted for George W. Bush in the 2000 presidential election, while 80 percent voted for Al Gore and 6 percent voted for Ralph Nader. Nationally, both Gore and Bush polled 48 percent of the voters, and Nader polled 3 percent.

- Only 14 percent favor the government building an antimissile defense program, in sharp contrast with the 70 percent of Americans in favor.

- Eighty percent disagreed, 54 percent strongly, that the federal government should cut taxes if it is running a surplus, an idea that garnered the support of two-thirds of Americans polled.

- As many as 40 percent favored the government paying reparations to black Americans for slavery, which ended 137 years ago.

"For all the Ivy League's talk of diversity, it is painfully evident from this survey that there is no real diversity when it comes to the political attitudes and social values of Ivy League professors," said David

Ivy League Professors' Picks for Best President in the Last 40 Years

Below is the question posed to professors polled by the Center for the Study of Popular Culture and their responses.

All things considered, who do you think has been the best president in the past 40 years?

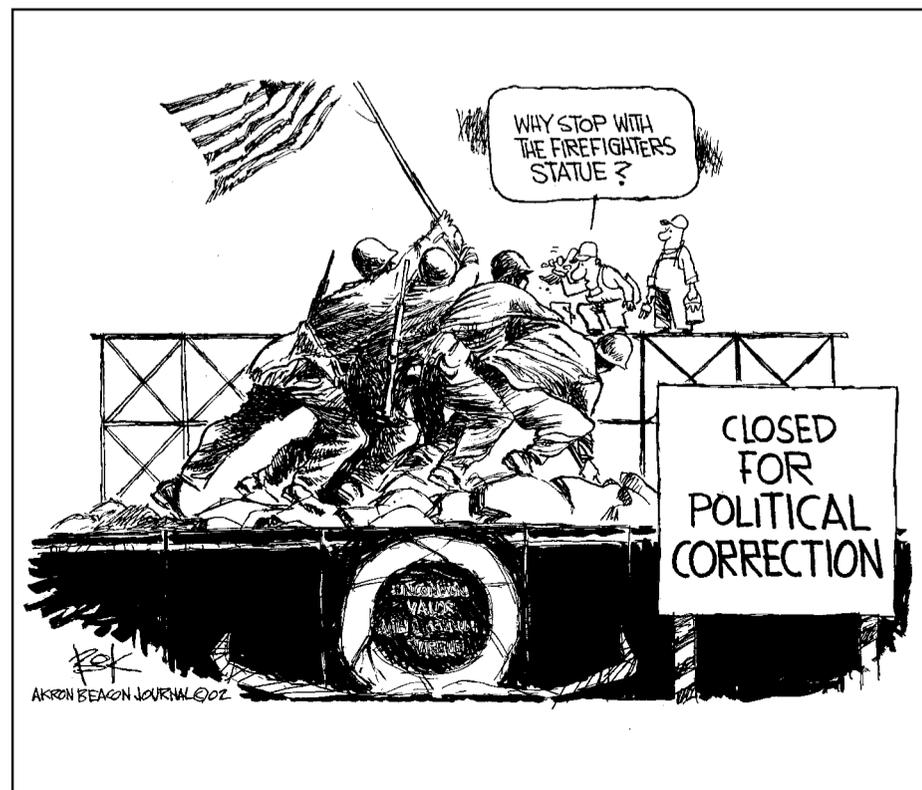
Bill Clinton	26%
John F. Kennedy	17
Lyndon Johnson	15
Jimmy Carter	13
Ronald Reagan	4
George H. Bush	2
Richard Nixon	1
Gerald Ford	1
George W. Bush	0
Other	3
Don't Know/Refused	18

Source: Center for the Study of Popular Culture

Horowitz, president of the Center for the Study of Popular Culture. "Not only is there an alarming uniformity among liberal arts professors at our elite universities, but this uniformity bears the clear stamp of the Democratic Party and the political left."

Elsewhere in the poll, professors were asked to name which president over the last 40 years they thought was the best (see inset). The names receiving the most selections were the Democrats from that time period. The bottom Democrat, Jimmy Carter, received more than three times the selections that even the top Republican, Ronald Reagan (13 percent for Carter, 4 percent for Reagan). More than one-fourth of the professors surveyed said Bill Clinton was the best president over the last 40 years. Zero percent selected George W. Bush as the best president, but that could reflect the fact that Bush has been in office less than a year.

"How can students get a good education, if they're only being told one-half the story?" Horowitz asked. He called on universities "to examine their own injustices and to take seriously their commitment to look like America in all its diverse communities — political, social, and religious, as well as ethnic and racial." CJ



Report on College 'Accessibility' Misplaces Responsibility

By JON SANDERS

Assistant Editor

Poor people have a harder time affording college than the rich, and that's a problem, says the Lumina Foundation. In early January, the foundation released a report on the "inaccessibility" of higher education.

On its website, the Lumina Foundation (www.luminafoundation.org) states that its founding belief is "that postsecondary education remains one of the most beneficial investments that individuals can make in themselves and that society can make in its people." The thrust of the report, however, is aimed solely at society's "investment," which means, for public universities, "taxation." The executive summary dismisses entirely the importance of individuals investing "in themselves," if the individuals don't want to: "Some potential students are reluctant to borrow, some will have difficulty repaying loans, and repayment costs add substantially to education expenses. These factors can diminish a college's accessibility for some students."

The report classifies institutions according to their admissibility and affordability among students of different income levels. The classifications rely on complicated data manipulations that in some cases caused the report to include disclaimers such as "Classifying an institution as 'not admissible' does not imply that it fails to provide valuable education and services to its state's residents, that its admissions policies are inappropriate or that it is not achieving a vital mission," and "When a college is classified as 'unaffordable' for a particular group of students, it does not mean that no such students attend that institution. Nor does classifying a college as 'affordable with borrowing' mean that all students in a particular group must borrow to attend."

Findings in the report appear to be less dramatic at second glance. For example:

- "In every state, fewer institutions are accessible to low-income students than to their median-income peers, even with loans and other financial aid." In other words, poor people have a harder time affording something than wealthier people.

- "Fewer than one-fifth of public four-year colleges in 14 states are affordable for low-income independent students even if these students borrow up to \$5,000 per year." This means that about 20 percent of public four-year colleges in those 14 states are affordable for those students, and it also means that even greater percentages of public four-year colleges are affordable in the other 36 states.

- "Institutions classified as 'admissible' if they enroll students with admissions test

scores consistent with the middle range of scores for all test-takers. By this measure, virtually all public two-year colleges and many regional public four-year colleges were classified as 'admissible.'

The report takes an adamant, everyone-must-go, everyone-else-must-pay approach to higher education. Consider these sentences: "Because it is a responsibility of the states to provide education, state policymakers must assess the extent to which current higher education systems provide access for their residents. And because equal opportunity for all is a national goal, federal policy makers must assess the college opportunities available to all citizens."

Or this one: "Today, more than ever, postsecondary education is critical to our nation's strength, and Americans' need for ongoing learning is growing steadily."

And this: "Access to a college education has never been more important for individuals and for society. In today's knowledge-based economy, college graduates earn substantially higher incomes than do non-graduates."

The "waste in 'mass education'"

Other research casts cold water on this view of college as "more important than ever." Economists Frederic Pryor and David Schaffer, in their book *Who's Not Working and Why*, found that the supposed earnings gap between the college-educated and the noncollege-educated (i.e., those who are merely taxed to fund the college-educated) owes greatly not college degrees but to individuals' possession of cognitive skills. College-educated people without skills in high demand end up, they write, "taking jobs where the average educational level has been much lower... From 1971 to 1987 a rising share of male and female university-educated workers of all ages took such high school jobs."

Discussing this phenomenon, George C. Leef wrote in a Pope Center for Higher Education Policy *Inquiry* paper (No. 4, "Financing Higher Education in North Carolina: A New Model") that "there is a growing phenomenon of college graduates having to take what have traditionally been regarded as 'high school' jobs, and for them, the time and money spent on college is, if not entirely wasted, at least a suboptimal use of it."



shield them from. As Peter Wood noted in *The Chronicle of Higher Education* (May 9, 1997, issue), "accessible" higher education "lures students who lack adequate preparation, academic ability, or serious intellectual aspiration into academic programs that are inappropriate for them."

Who are these new students? Paul Trout calls them "disengaged students." Writing in the Spring 1997 issue of *Academic Questions*, Trout describes them: "they do not read the assigned books, they avoid participating in class discussions, they expect high grades for mediocre work, they ask for fewer assignments, they resent attendance requirements, they complain about course workloads, they do not like 'tough' or demanding professors, they do not adequately prepare for class and tests, they are impatient with deliberate analysis, regard intellectual pursuits as 'boring,' they resent the intrusion of course requirements on their time, they are apathetic and defeatist in the face of challenge, and they are largely indifferent to anything resembling an intellectual life." Having such disengaged students thus, in Wood's words, "seduces colleges and universities into lowering their academic standards."

"The waste in 'mass education' is not merely the time, money, and effort thrown away on people who don't care," wrote Thomas Sowell in *Education: Assumptions Versus History*. "The waste includes people who do care and who have the ability, but who wither in an educational system geared to the lowest common denominator." CI

According to Bureau of Labor Statistics information cited by Leef, "retail sales persons, cashiers, truck drivers, office clerks and personal care aides will be among the occupations with the largest growth" for the decade 1996-2006. To continue to push for greater college attendance when the labor force can absorb many graduates only in lower-skilled occupations is a poor use of taxpayer dollars."

There is a greater social ill to making higher education "accessible" to all those who don't want to incur the costs of this "investment in themselves" on themselves. It drags down the quality of higher education itself — in other words, it reduces the value of the investment, to the society and to the individual students.

The students brought in by this low-cost, "accessible" higher education tend to be different from those willing to make the sacrifices the Lumina report wishes to



A New Web Site Providing a State Perspective on 9/11 and the Current International Crisis From the John Locke Foundation

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- Military historian Victor Davis Hanson argues that the Western way of war — and Western notions of freedom and civilization — are proving their worth.
- Moderate Muslim clerics preach peace in Durham and Greensboro while a former Black Panther leader calls First Lady Laura Bush a murderer at Duke.
- North Carolina's economy, hurt further by wartime deployments, awaits help from Washington, where disagreements about tax cuts block a stimulus bill.
- Dr. Andrew Taylor, NCSU Political Scientist, on the likely impact of the war on North Carolina politics and the U.S. Senate race.
- As U.S. Marines from Camp Lejeune participate in military action near Kandahar, Seymour Johnson airmen prepare for deployment to the Mideast.
- Gov. William Yarborough, former head of Special Warfare Center at Ft. Bragg, distinguishes terrorism from legitimate armed resistance.
- Locke Foundation President John Hood argues that North Carolina short-lived anti-war movement unknowingly exposed its own fallacies.

For the latest news, analysis, and commentary on the war on terrorism, visit what National Review once named its "Cool Web Site of the Day" located at www.NorthCarolinaAtWar.com — or www.NCAatWar.com.

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For more information, please call Jon Sanders at 919-828-3876 or visit www.popecenter.org.

Town and Country

• Unlike most states on the West Coast, North Carolina does not freely grant the use of the recall election. Citizens may use a recall for any reason, but it is commonly employed if they believe that their elected representative has committed some malfeasance in office. The state of North Carolina allows the City of Raleigh, however, to recall its elected officials. According to the city's charter, a recall election will be called when 25 percent of the previous election total is met. For example, if only 50,000 voted in an election, there will be a recall election if 12,500 registered voters (regardless of whether they voted in the prior election) sign a petition.

This is what faces Raleigh Mayor Charles Meeker, who said countless times during the mayoral campaign last year that he supported completing the Interstate 540 loop around Raleigh. Now that he has been elected, he has apparently changed his mind.

Meeker's about-face (or clarification, depending on your point of view) raised questions about the honesty and integrity we expect from elected officials, said Jim Mills, coordinator of the recall effort. According to Mills, who has set up a website at the website www.recallmeeker.com, the response has been remarkable. He said that about 10,000 signatures are needed to meet the criteria in the city charter to force a recall vote. He has received hundreds of e-mails at the website.

• Firefighters at a Carboro fire department took matters into their own hands recently, according to WRAL-TV in Raleigh. The television station reported that a fire station in Carboro needed more space, but after bids came in for more than \$500,000, the city decided to not build.

The bids did not stop the firefighters. By themselves, they built an extension onto their station and remodeled the rest. The total bill came to about \$35,000, significantly less than the formal bids.

• The Real Estate and Building Industry Coalition (REBIC) has offered on its website for free the downloading of four studies on the *Economic Impacts of New Residential Construction*. The studies focus on the counties of Mecklenburg, Gaston, Cabarrus, and Union.

Dr. John Connaughton and Dr. Ronald Madsen, both of the University of North Carolina-Charlotte, conducted the research for the REBIC project.

In a past issue of *CJ*, we referenced the Mecklenburg study. In essence, these 32-page studies appear to demonstrate that growth pays for itself. All three studies argue that in the construction and occupancy phases, the amount of revenue cities and counties accumulate far outpaces the costs of the additional infrastructure burden. Put another way, the revenue stream generated by new construction is a net positive for local governments.

Some opponents of the Smart Growth movement cite these studies (which now number seven in North Carolina) as contradicting the argument that growth must be slowed in order for jurisdictions to fund adequate public facilities. *CJ*

'Innovate 2002' Budgets and Annexation

Local leaders share experiences fighting against taxes, for property rights

By PAUL CHESSER

Associate Editor

DURHAM
All the talk by Manhattan Institute's William Eggers about "E-government" and "E-procurement" at the Center for Local Innovation's "Innovate 2002" conference Jan. 19 might be considered egregious by public employees concerned about keeping their jobs.

Nevertheless, government efficiency was a predominant theme at the third annual event, conducted at the Washington Duke Inn in Durham. The Center for Local Innovation is an affiliate of the John Locke Foundation, which also publishes *Carolina Journal*.

Sacrificing cows to technology

Eggers, a senior fellow at the Manhattan Institute for Public Policy, gave a well-received presentation that advised municipalities where they can find needed dollars in their budgets, without raising taxes.

"You need to figure out how to go after the sacred cows," he said.

Eggers has advised mayors and political leaders in cities all over the United States, and is considered an expert in making the most out of public revenues. In Durham, he emphasized the need to make better use of technology in all phases of government services and administration.

He cited police departments as one "sacred cow" example, where he said the average officer spends about one-third of his time doing paper work. Calling most departments "backwards," he said that if governments could place wireless computers in police cruisers, officers could make more efficient use of their time. That, in turn, would "cut costs in half."

Eggers also said greater use of volunteers and civilians and outsourcing of noncore activities would improve police efficiency and reduce pressure on budgets.

In other areas of technology, Eggers detailed the benefits of an "E-procurement" system, saying that North Carolina "has one of the signature models." He said that all state agencies must participate in the system and that 10,300 suppliers are signed up. Local governments are encouraged to participate, he said. Thirty counties and municipalities use the system.

The system has reduced costs by 10 to 20 percent, and markets are working better because of increased competition, Eggers said. He also cited 15 percent cost reductions through aggregate purchasing, 50 percent reductions in administrative costs, and 70 to 80 percent savings in time and resource costs.

"The conventional wisdom of where the savings are is often wrong," he said.

Focus on the bottom line

Former Greenville City Councilwoman Arielle Morris discussed her views on the analysis of city budgets. She advised elected officials to find out as much as possible about their colleagues on councils and boards — for positive reasons.

"I actually found a great ally who I didn't expect," she said of a fellow councilwoman who wanted to reduce taxes.

Morris emphasized the need for officeholders to get figures in a user-friendly format when they examine budgets. She



Winston-Salem Alderman Vernon Robinson speaks as Bill Eggers and Richard Vinroot listen.

recalled that during her term, other council members often couldn't make sense of the city budget and couldn't answer questions about the budget.

Morris said she requested five years of budgeting history, including past revenue and spending forecasts. She said reliable plans cannot be made if they are based on inadequate or poor historical records.

"Make sure you're getting good forecasting," she said.

Morris also recommended that municipal boards change auditors every three years and monitor auditing practices.

Guerrilla theater

Winston-Salem Alderman Vernon Robinson spoke from his perspective as a budget-cutting, tax-reducing member on a city board. He emphasized the need to be vigilant about inappropriate spending and to alert constituents of government waste. Without public support and awareness of unnecessary spending, there is no pressure on other board members to keep budgets trim, Robinson said. "Sometimes reformers are concerned whether they can get their message across," Robinson said.

He suggested creating alternative budgets and using tools such as graphics and the media to get points across. He also

recommended creating a citizen's budget advisory committee to build support.

Annexation horrors

In a separate session about annexation, New Hanover County Commissioner Bill Caster discussed his area's recent battle over the issue.

Caster said "a lot of folks got really upset" when Wilmington annexed thousands of county residents in 1999 and 2000. "Most people don't ask to get annexed."

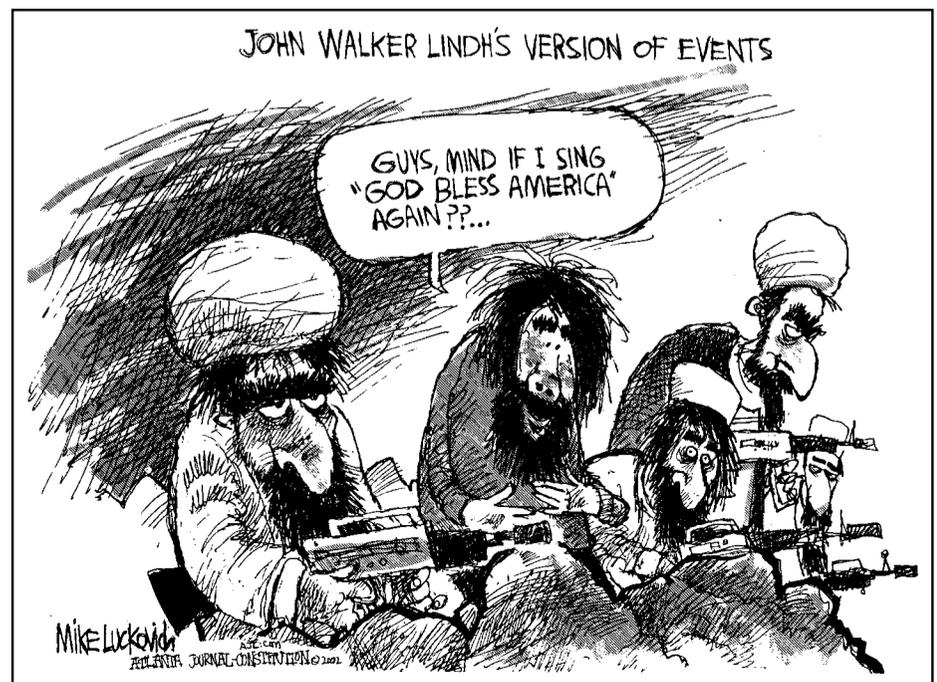
Wilmington, which hadn't annexed any county areas since the 1980s, began pursuing aggressive annexation in the mid-1990s. Despite efforts to fight, the city completed two phases of annexation in September 2000.

Former Wilmington Mayor David Jones expressed sympathy for residents annexed against their will. He said that he favors consolidation, but not under coercion that elected officials need to be more sensitive to constituents.

"We are more concerned about government and its size than the people that we serve," he said.

Randall O'Toole of the Thoreau Institute told of his experiences with excessive government control of growth, through rail transit and limited highways, in Portland, Ore. He said Portland has undergone a "quadrupling of congestion."

Answering those who think such a problem will never occur in North Carolina, O'Toole said, "We never thought it was going to happen in Oregon, either." *CJ*





(Left to right) Mayor Pat McCrory, Mayors Allan Joines and Keith Holliday, Raleigh Police Chief Jane Perlov, and David Hartgen

Congressman, Mayors React to Terrorism

By ERIK ROOT

Assistant Editor

DURHAM

A question that has occupied the minds of many municipal officials since Sept. 11 is how should government react to terrorism? This was the topic of the Center for Local Innovation's luncheon address by U.S. Rep. Walter Jones and the afternoon panel of local mayors and law enforcement officers entitled "Homeland Security: How Local Governments Should Respond to Terrorist Threats."

Jones kicked off consideration of the topic with an address entitled "Protecting Our National Security: How the Federal-Local Government Relationship Has Changed Since September 11." Jones said that since 1995 many members of Congress have believed the United States needed to rebuild and retool the military. The intelligence community and members of Congress who sit on intelligence committees have been privy to information about the threats posed by various rogue states, one of which happens to be China.

However, since Sept. 11 "the stakes have changed and they higher than ever before," Jones said. Local governments will have to work with the federal government (and vice-versa) to strengthen homeland security.

Lest anybody think the task will be easy, Jones cautioned that "this is going to be a long campaign...but if we don't fight it now, I fear that our children will one day go to the mall and see armed patrols." In that regard, Jones said is pleased with the choice of Tom Ridge, former governor of Pennsylvania, heading the Department of Homeland Security.

Still, to accomplish the goal of security, "Congress is going to have to reconsider its priorities," Jones said. The United States "can't continue to spend and ask the taxpayers for more." Part of that reconsideration must be in the form of how much the government spends on social programs, Jones said. The federal government spends about 50 cents on the dollar, and needs to be more efficient spending on social programs, he said.

"The Constitution," Jones said, "requires we have a strong military and we have to make that our priority." Ultimately, Jones said that "as long as we remember that God is the strength and the power [of our nation] then we will remain strong."

Mayors, police chief on panel

The moderator, UNC-Charlotte Professor David Hartgen, opened the afternoon panel by saying terrorism is here to stay: "Not every event is terrorist-related and not all events are preventable. We may strive for zero and want zero, but it is unlikely we will achieve zero."

Faced with this reality, Raleigh Chief of Police Jane Perlov said that even for local law enforcement, things have changed. The general message is that local law enforcement officers must prepare themselves for the world after Sept. 11. "When the time to respond has arrived, the time to prepare is gone," Perlov said. This might seem difficult given that many governmental agencies protect



U.S. Rep. Walter Jones speaks at the luncheon in Durham.

their turf and "terrorism knows no boundaries." But Perlov said she believed that federal, state, and local agencies must work together to provide for the common defense.

Greensboro Mayor Keith Holliday echoed Perlov in saying that there has been a lot of rhetoric about agencies working together and sharing information, but that that has come to an end.

He also pointed to the example of New York Mayor Rudy Guiliani to highlight how local mayors should deal with emergencies. "He let the experts take over. I can no more take charge of an emergency situation than any of us here," Holliday said.

Winston-Salem Mayor Alan Joines said his city has incurred an additional \$300,000 in cost since Sept. 11 because of additional equipment needed to combat terrorism. Even though "Winston-Salem is not a major city [a third-tier city]...the chance of attack may be low, but we cannot count it out," Joines said.

Charlotte Mayor Pat McCrory said officials evacuated buildings downtown after hearing about the attacks of Sept. 11 and learning 4,000 travelers were stranded at the Charlotte airport. The city helped the travelers find a place to stay. Duke Power called the mayor within 30 minutes of the attacks to assure him that extra security was present at the two nuclear power plants near Charlotte.

In Guiliani-like fashion, McCrory said he left most of the logistics up to the experts: "I got out of the way and let the law enforcement officials take care of business and told them when they were ready to come tell me what they wanted me to say." CJ

Forced Annexation vs. Natural Law

By JASON THOMPSON

Guest Columnist

WILMINGTON

The resolution I put forth asking to do away with forced annexation in the City of Wilmington should not be so controversial, upsetting, or hard to comprehend. I am asking the council to allow American citizens to do that which is theirs by right, and that is to vote. That right cannot be restricted simply because the government fears the vote will be contrary to its wishes.

Council member Laura Padgett made it clear to me that this is her concern. A local newspaper put it this way: "Mrs. Padgett, who is unsure how she will vote on the resolution, said she doesn't think it is a good idea to allow people to vote on annexation because no one would vote to increase their taxes. And I don't blame them for that."

The dirty little secret is that forced annexation isn't about providing services to the people that may need them. Most of the people that have been forcibly annexed already had the services they needed. Forced annexation is about taking peoples' money. It's nothing but a tax hike with a fancy title and it's time its supporters admitted that.

Orderly growth and economic development are the rhetorical tools invoked by annexation supporters. In regard to annexation, council member Jim Quinn said, "I don't want to give up that club." When did government become empowered to pound the governed into submission? To suggest that annexation, as council member Frank Conlon did, "...has served North Carolina cities well...that is why the state has economically stable cities, unlike some cities elsewhere" is both inaccurate and unjust.

According to federal data, this state is consistently ranked in the bottom third of states on average pay, single-family households, teenage pregnancy, and other issues. Haven't we recently faced the largest budget crisis in our state's history?

Voting on matters where we will be taxed — that is the very foundation upon which our representative republic stands. When it comes right down to it, those who oppose my resolution want to deny people a chance to participate in their government. They want to deny them freedom. The proponents of annexation want to be able to impose government onto Americans who clearly do not want it and to tax those people without due representation. It's as simple as that!

My motive with this resolution is not malice toward the city or our past administrations, but only the vindication of right, of human right, of which statesmen must be the champions. We will not choose the path of submission and forfeit the most sacred rights of our nation. The wrongs against which we now array ourselves are no insignificant wrongs; they cut at the very roots of nature.

Ours is a nation born of revolution against unjust systems of government. From the beginning, nations have been run by kings and for kings while the people served. The Founders boldly proclaimed this a heresy and affirmed one noble truth: All men are created equal. It is a logical conclusion of that truth that we know taxation without representation is tyranny and that governments derive their just powers from the consent of the governed. These principles are not only the source of our national existence but they are the very anchor of liberty.

Eighty years after the Revolution, Abraham Lincoln wielded those two maxims: "Ours is a government of the people, by the people, and for the people." Fifty years passed and President Woodrow Wilson proclaimed: "We are fighting for the things which we have always carried nearest to our hearts: for democracy, for the right of those who submit to authority to have a voice in their own government."

Who are we to turn a deaf ear and deny that voice? I for one shall not. CJ

Jason Thompson was elected to the Wilmington City Council in November, defeating longtime incumbent and forced-annexation defender Jack Watkins.

Local Innovation Bulletin Board

'Sprawl' Benefits Minorities

By LEONARD GILROY

Guest Writer

LOS ANGELES

Critics of urban sprawl blame suburbia for a plethora of modern societal ills, including pollution, traffic congestion, inner-city poverty, even obesity.

North Carolina is no different.

However, a recent study has been posted by an unlikely organization. The study, found on the Fannie Mae Foundation website, questions many of the assumptions held by those who reject sprawl.

Matthew Kahn at the Tufts University Fletcher School of Law and Diplomacy identifies one important benefit of sprawl: It reduces the housing consumption gap between white Americans and black Americans.



Leonard Gilroy

Historically, there has been a gap between blacks and whites in almost every aspect of housing consumption, including home ownership rates and average housing sizes. But the gap has been closing in recent decades.

Kahn found that the black-white home-ownership and housing-size gaps close as a metropolitan area's sprawl level — measured as the share of area jobs located outside a 10-mile ring around the area's central business district — increases.

The study also found that black families living in sprawling metropolitan areas live in larger homes, are more likely to be homeowners, and are more likely to be located in the suburbs than otherwise identical black households in less sprawled areas.

As an example, Khan predicted housing consumption for two identical black households, one living in a high-sprawl metropolitan area and the other living in a low-sprawl area.

Assuming the households had two adults (including a 40-year old head of household), two children, and an annual household income of \$35,000, Kahn found that the black household in the high-sprawl metro area consumed 0.5 more rooms and 10 percent more square footage, was 12 percent more likely to live in the suburbs, and was 9.3 percent more likely to own its home than its counterpart in the low-sprawl area.

Kahn suggests two possible explanations for the findings. First, sprawling areas tend to have a greater supply of developable land on the urban fringe, which helps to moderate land prices and keep housing affordable. Second, inner-city housing becomes cheaper as jobs gravitate from cities to the suburbs. In short, suburban growth provides opportunities for black households to move into newly constructed housing at the urban fringe or to move into center-city or older suburban houses vacated by white households that relocate.

Perhaps the study's most important conclusion was that "[housing] affordability is likely to decrease in the presence of more antisprawl legislation." A growing body of research is providing evidence that growth controls — such as urban-growth boundaries that limit the supply of developable land and impact fees imposed on developers to recoup the costs of infrastructure and public services — can have a very real inflationary effect on housing prices and tend to decrease affordability.

Advocates of antisuburban growth management policies should stop and consider this point. Measures to limit sprawl are likely to have the unintended consequences of reducing economic opportunity for black Americans and other minorities, and slowing or reversing the socioeconomic gains they have made in recent decades.

For example, an article by David Whelan in the July issue of *American Demographics* magazine pointed out that more blacks than ever (17 percent) hold college degrees, and that median black household income is at record levels, with 51 percent of black households earning more than \$50,000 annually. Concurrently, the percentage of blacks living in the suburbs has jumped from 34 percent to 39 percent between 1990 and 2000, and median black suburban household income totaled more than \$37,000 in 2000, almost 44 percent higher than income earned by counterpart black households in cities. Similar trends were identified for other minority groups.

Looking at the bigger picture, a recent Brookings Institution study found that racial and ethnic minorities made up more than 27 percent of the total suburban population in the 102 most-populated metro areas in 2000, up substantially from 19 percent in 1990. It also found that the bulk of suburban population gains in many of those metro areas could be attributed to minorities.

These figures may surprise those accustomed to thinking of the suburbs as the bastion of "white flight" émigrés. Whelan describes the black suburbanization trend succinctly: "Like whites, affluent blacks head off to the suburbs with their good fortunes."

In other words, the American Dream of homeownership, backyards, good schools, and safe communities is still alive and kicking. In fact, it's within the reach of a more diverse body of people than ever before.

Planners and policy-makers should remember this as they continue to address the challenges posed by urban and suburban growth and development. In the pursuit of a new and improved American Dream, the policies advocated by the antisprawl movement may ultimately help to perpetuate the socioeconomic inequities that generations of Americans of all races and ethnicities have struggled to overcome.

The Matthew E. Kahn study *Does Sprawl Reduce the Black/White Housing Consumption Gap?* may be found at the Fannie Mae Foundation website: <http://www.fanniemaefoundation.org/> **CG**

Leonard Gilroy is urban policy analyst at Reason Public Policy Institute. Gilroy was senior planner with Fernandez Plans in New Orleans, where he managed the firm's geographic information systems databases, facilitated focus groups, coordinated public meetings, authored planning and research reports, and developed and maintained websites for public-sector clients. He has coauthored several research reports through the Virginia Center for Coal and Energy Research at Virginia Tech. He holds a master of urban and regional planning degree from Virginia Tech and is certified by the American Institute of Certified Planners.



Portland, Ore., where "smart growth" planning has backfired, sports a light-rail system.

'Smart Growth' May Be Popular But It Reflects Dumb Economics

By MICHAEL LOWREY

Associate Editor

CHARLOTTE

In urban areas across North Carolina and the nation, Smart Growth has become highly popular in recent years. The concept, when stripped of the marketable catch phrase, amounts to the government restricting the size and, by extension, population, of urban areas in an attempt to make them more "livable."

Denser development, a major emphasis on public transportation, and strong central business districts are the cornerstones of smart growth and the "new urbanism" associated with it. While presented as being virtually costless, smart growth, in fact, comes at a high economic price, for it is based upon a false understanding of growth.

Much confusion exists about the concept of "growth." Literally, the term implies that something is increasing in size. This something, depending of the context, might be population, per-capita income or the physical size of a community.

These three measures are very different things; in the debate over the shape of urban areas it is essential to distinguish between them.

The most critical sort of growth is income growth, an increase in real (inflation-adjusted) per-capita income. The key to income growth — indeed the only way we all, on average, can be better off — is for our productivity to increase.

By analogy, total output is the size of the pie, per-capita income is the average person's piece of the pie. For that piece to get bigger without taking pie from someone else requires that the total pie must get larger.

Higher real per-capita incomes (income growth) in turn means that we can have a higher standard of living. This implies that more of use can afford better (larger) living arrangements, including owning our own homes.

It also implies that meaningful economic opportunity exists, for without income growth, by definition, my gain must be someone else's loss.

This causation is critical. Areas that are "growing," where new and bigger homes are being built and the value of existing homes is increasing, are doing so because these are the areas where per-capita income is increasing and overall output is growing. Areas without economic growth will not see sprawl or increases in the developed land area.

Population growth, though obviously related to both per-capita income and the size of a community, has its own well-un-

derstood dynamics. Changes in population are measured by counting the number of births minus the number of deaths plus net migration (which could be a negative number if more people moved out of an area than moved in). The number of deaths, and, by extension, life expectancy, depends on the level of health care and sanitation (which is influenced heavily by per capita income) as well as individual choices and cultural norms (diet, amount of exercise, smoking etc). Birthrates, meanwhile, decrease as per-capita income increases.

In advanced postindustrial societies, low rates of population growth are the norm. People, on average, live long lives but have few children. Indeed, in Japan and most of Western and Central Europe, the population is barely increasing and, in many places, will soon start to decrease without an increase in immigration.

In the United States, this topping out of the population (it is today still naturally growing at 0.7 percent a year) will take longer to occur but will happen. Still, even 0.7 percent a year population growth (excluding immigration), translates to nearly 2 million people per year in a nation of already more than 270 million people.

Of course, not all areas within the United States will gain population at the same rate. Economic growth attracts both businesses to fill consumer needs and potential employees seeking opportunity. Neither is a bad thing.

Smart Growth proponents ask us to believe that we can have our cake and eat it too. Restricting the physical size and population of expanding urban areas is presented as not affecting income growth. By definition, this is incorrect. By limiting the amount of area available for new business and residences, we are in fact restricting the economic opportunities available within our society.

Productive, expanding business (and communities) will find it more difficult to attract the additional workers they need to grow. The spread of more productive technologies will, quite simply, be retarded. Controlling growth also limits options available to current residents — the new company that didn't come or the existing company that didn't expand may have offered a longtime resident a substantial promotion.

The future economic vitality of the nation depends on continued increases in productivity. Only by continued increases in productivity can our per-capita income and standard of living continue to increase. Smart Growth, despite the moniker, is a dumb way to try and achieve it. **CG**

ANALYSIS

*From Cherokee to Currituck***Rockingham Wants to Go Private With Economic Development**

By **ERIK ROOT**
Assistant Editor

The Rockingham County Commissioners have decided to go private. The commissioners may approve a contract to hire a private, nonprofit group called the Rockingham County Partnership for Economic Development to take over that county's industrial recruitment, according to the *News & Record* of Greensboro.

The commissioners think the private, nonprofit group will be able to work better with developers than the county's own economic development office. The county office spends \$216,000 a year for operations.

Don Kirkman, president of the Piedmont Triad Partnership for Economic Development, said companies prefer to work with private entities than with public agencies.

The Rockingham County Partnership will give the commissioners an annual audit to satisfy oversight issues.

Cary takes and takes and takes

Before Christmas an important event happened in the Town of Cary. During a council meeting, Mayor Glen Lang said the city stood to "lose" money if it did not forcibly annex areas, so reported *The News & Observer* of Raleigh. The audience at the meeting jeered the mayor often throughout the meeting.

When Lang turned to City Manager Bill Coleman and asked how much revenue the city would lose each year by not annexing areas, the crowd got testy. "We are not a bottom line!" someone shouted. "You can't lose something you don't have!" shouted another. Cary wants to force through a requirement that annexed citizens will pay \$14,000 to hook up to the city along with an additional \$5,000 in impact fees. There was no word on what "impact" houses forcibly annexed have on the city.

Cary resident Reginald Cook pointed out that many of the people on the council ran on the theme that development should pay for itself. Cook noted that now, days after the election, they are backing away from that by having long-time residents pay instead.

Long view, short-term gain

The Town of Long View has been having a problem with water rates. Some residents are being charged more than \$200 a month for water use even though they have not increased their consumption, according to the *Hickory Daily Record*.

One resident who started out with a \$22-a-month bill now pays more than \$150.

Alderman Vernon Moyer said he believed the rate structure was placing a burden on some residents. He favors some moderation of the rate.

During one meeting of the aldermen, some members of the community asked that all their comments be addresses to the community. Some of the elected officials were lowering their voices so that the public could not hear their comments to one another.

One resident said to the town aldermen, "If we don't know what the product costs us, how can we set a rate? We don't know if we are losing money or making money."

Belville wants de-annexation

Property owners in Belville have found that the zoning ordinances are so restrictive that they are requesting de-annexation, according to the *Morning Star* of Wilmington.

Many developers in the area believe that the proposed ordinance would inhibit their ability to make a living in the town. The former mayor of Belville, Kenneth Messer, sent a letter to the Board of Commissioners requesting that the board de-annex the area.

Fees debated in Guilford

Fees were intended to pay for the cost of government inspections. Inspections were instituted to make sure that builders met safety requirements. Not so anymore. According to the *News & Record* of Greensboro, fees are used as a means to raise more revenue. Guilford County is considering raising fees in order to put more money in its coffers. Developers pay the fees, but as many county citizens have noted, the developers pass the costs on to those who buy their developments. It is a matter of simple economics, if the price of something gets too high, people will not buy. Marlene Sanford, of the Triad Real Estate and Building Industry Coalition, said that "permitting and inspections, regardless of target industry, are for the benefit of making sure the business owner does not harm his customers. Inspecting a house is no different from inspecting a restaurant." The issue is all the more important considering the county already has an onerous tax rate at 67.4 cent per \$100.

Race-based rules cost taxpayers

Charlotte had to decline the lowest bid on a road project because the firm did not meet the rules on subcontractor "diversity," according to *The Charlotte Observer*. Instead, taxpayers will pay \$170,000 more for rules on race than they would have otherwise. *CR*

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• Globalization: It's earlier than you think. That's the message of *Against the Dead Hand*, which traces the rise and fall of the century-long dream of central planning and top-down control and its impact on globalization — revealing the extent to which the “dead hand” of the old collectivist dream still shapes the contours of today's world economy. Mixing historical narrative and on-the-scene reporting and interviews, author Brink Lindsey shows how the economy has grown up amidst the wreckage of the old regime — detailing how that wreckage constrains the present and obscures the future. Lindsey conveys a picture of globalization's current state in light of the current conventional wisdom, providing a framework for anticipating the future direction of the world economy. More information at www.wiley.com.

• Investigative reporter Joseph J. Trento writes in his book, *The Secret History of the CIA*, that the intelligence organization was founded on the best of intentions — to battle the Soviet Empire during the Cold War. For more than 50 years, hundreds of men and women in America's foremost intelligence agency have engaged nobly in espionage that was both risky and mysterious, in the name of national security. But the real CIA, as revealed in this book, was an organization haunted from the very beginning by missed opportunities, internal rivalries, mismanagement, and Soviet moles. The book explores the murky underworld of double and triple agents, of divided loyalties and tortured souls, and of high-stakes operations that played out on virtually every continent. Find out more about this title at www.primapublishing.com.

• Former presidential candidate and reverted syndicated columnist Patrick Buchanan has been heavily promoting his new book, *Death of the West: How Dying Populations and Immigrant Invasions Imperil our Country and Civilization*. Buchanan argues that collapsing birthrates in Europe and the United States, coupled with population explosions in Africa, Asia, and Latin America are set to cause cataclysmic shifts in world power, as unchecked immigration swamps and polarizes every Western society and nation. As a result, Buchanan contends, the counterculture of the 1960s has now become America's dominant ethos, and is systematically demolishing America's history and heritage. From Dunne Books.

• David Horowitz, who recently was in town to speak about university radicals who are against the war on terrorism, has written *Uncivil Wars: The Controversy Over Reparations for Slavery*. In his book he examines the case for reparations and concludes that it is “morally questionable and racially incendiary.” He notes that only a tiny minority of Americans ever owned slaves; and most Americans living today are descended from post-Civil War immigrants who have no lineal connection to slavery at all. More information on this title at encounterbooks.com. *CR*

Book Review

'Cuba in Revolution' Throws the Book at Castro

• Miguel A. Faria, Jr., *Cuba in Revolution*, Hacienda Publishing, 2001, 452pp., \$26.95

By **GEORGE C. LEEF**
Contributing Editor

The vicious regime of Fidel Castro has for more than 40 years trampled upon human rights in Cuba, but the story of his seizure of power and subsequent Stalinist rule remains surprisingly little known in the United States. Within weeks of the Sept. 11 terrorist attacks, everyone was hearing about the atrocities of the Taliban in Afghanistan, but year after year, Castro and his henchmen torture and kill Cubans who seek elemental human freedoms with virtually no attention from the media. Most Americans remain blissfully in the dark.

In his new book “Cuba In Revolution,” Dr. Miguel Faria strives mightily to tell the truth about Castro and his government. As a boy of 13, Faria escaped from Cuba with his father, came to the United States, studied medicine, and became a surgeon. In his previous books, he has fought against the trend toward socialist health care in the United States. With his book, he takes up what undoubtedly is his greatest passion — the ruin of his homeland by one of the most repressive states in the world.

Harrowing escape from Cuba

One part of the book is Faria's recounting of his escape from Cuba in 1966. Harrowing is the best adjective to describe the events — a middle-of-the-night drive with a stranger in whom Faria and his father entrusted their lives; boarding the poorly maintained little fishing boat (it had been seized by the government after Castro's seizure of power, so naturally it was in bad condition) and setting out for the 200-mile voyage to the Cayman Islands; engine trouble; a near-collision with a Soviet freighter in the dark; a severe storm that nearly capsized the small craft; severe de-

Book Review

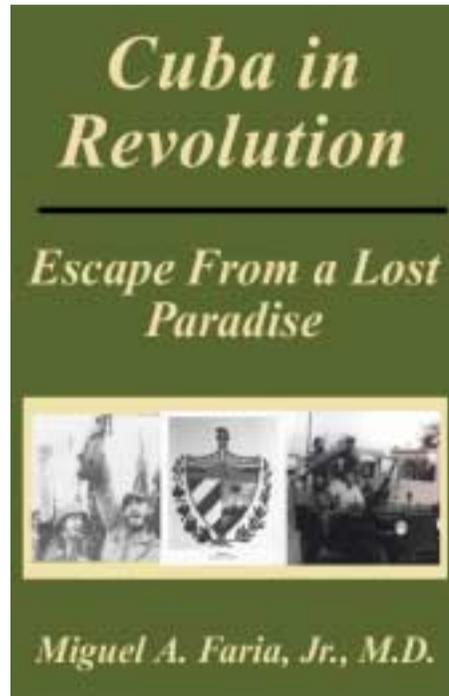
Jimmy V: A Heart Much Bigger Than Basketball

• Bob Valvano, *The Gifts of Jimmy V: A Coach's Legacy*, Triumph Books, 2001.
• Mike Towle, *I Remember Jim Valvano: Personal Reflections and Anecdotes About College Basketball's Most Exuberant Final Four Coach*, Cumberland House, 2001.

By **JON SANDERS**
Assistant Editor

Jim Valvano may be the only man in the world to have ever turned two Hollywood clichés into actual events. His 1983 North Carolina State University team's national championship victory was almost an absurd parody of a familiar sports-film trope — “underdog defeats invincible team when ridiculously improbable last shot is missed but somehow grabbed out of the air and dunked at the buzzer” — except that it was true. And then there was his 1993 speech where he announced the formation of the V Foundation before having to be helped off the stage. “Dying man closes out career, life with speech that resonates in the hearts of everyone so that his dream lives on” — except that this also was true.

After some hesitation, here they come. Two recent books — *The Gifts of Jimmy V*, by Bob Valvano (Jim's brother) and *I Remember*



hydration, and luckily sighting the smallest of the Caymans when they were lost and at the point of desperation. It would make a great movie if Hollywood had any interest in stories that show communism as a hell hole worth risking life itself to escape.

Most of the book, however, is devoted to setting the record about Castro's regime straight. Faria has sharp words for the gullible American media that has chosen to serve as a conduit for Castro's disinformation for decades. Going back to the reporting of Herbert Matthews of the *New York Times* in the years when Castro was organizing his campaign against the Batista regime (Faria stresses that there were also non-communist opponents, but the

With his book, he takes up what...is his greatest passion — the ruin of his homeland by one of the most repressive states in the world..

media ignored them) and continuing up to the present, with Dan Rather's fawning interview with Castro in 2000 a case in point, the media has readily accepted the government's claims to have made great improvements in literacy and health care for the Cuban people. Castro's statistics are pure deception, Faria argues.

Off target on gun control

Another piece of Castroite deception that the media falls for is the supposed “safety” of living in a country with complete gun control.

One of the first orders of business after taking power in 1959 was the confiscation of private firearms, a task made easier because of the previous gun registration of Batista's government. When the Elian Gonzalez battle flared in 2000, Castro sympathizers were heard to say that in Cuba the boy would be able to attend schools that were safe, in an attempt to capitalize on the shootings in 1999 at Columbine High School.

Faria argues that no one is really safe in totalitarian Cuba, but also notes that despite gun control, the homicide rate in Cuba is higher than in the United States.

What about the future? Faria is optimistic that after Castro's demise, his regime will totter and fall as did those in Eastern Europe. He sees hope in reports that the Internet is starting to enable truth to spread in Cuba, and also that several of Castro's top lieutenants appear to be squirreling away large amounts of money in foreign accounts.

I have long hoped for a restoration of freedom in Cuba, but after reading this moving and informative book, I now feel as well the deepest sorrow for the Cuban people who have suffered so much at the hand of Castro and his brutal state. *CR*

Jimmy Valvano, by Mike Towles — pay tribute to the memory of the coach and the man. They do so aptly, considering their source, by telling stories, the stories of Jim by those who knew him. And stories involving Valvano, you can be sure, are always funny and touching and well worth the read.

While the world now celebrates the memory of Valvano, few outside those who knew him and those who were here during his disgrace at N.C. State realize that the warmth, wit, and grace he exhibited during his final days were always part of his makeup. They thought they saw Valvano the reformed, when really they saw Valvano the unbowed. He brought those traits with him to Raleigh, and when he was forced out as a scapegoat for big-time athletics, he left with them intact and moved on to succeed in another chapter of life.

One story that isn't in these books, but that deserves telling, is what Valvano learned in his hospital stay in 1983 following hernia surgery. He wrote about it in his own book, entitled *Too Soon to Quit*:

“At times we all start to feel sorry for ourselves or think we've got things tough. When that happens we should take some time and visit folks who have it a lot tougher. You realize two things when you do. One,

you appreciate the good fortune and good health the Lord has given you; and two, you start to feel you don't do enough for those who are less fortunate than you. That's how I felt. I visited pediatrics and talked with some young kids who had some serious injuries. I visited patients who were terminally ill.

“One woman in particular stood out. My wife and I visited her daily. She was a cancer patient. The battle she and her family fought is really the stuff that makes champions. The battles on the playing field are unimportant when compared to a struggle like that. The private battles people have with serious injuries and disease are the ones where the real champions of the world are made...”

“I wish the story had a pleasant ending, but a few weeks after my hospital stay, I received a letter from the lady's husband. He said that they had lost that particular battle, but he felt his wife had won the war. She was in heaven now, the place he hoped to join her one day. He thanked my family for helping to make the last days of his wife's life happy.”

As this touching, sad, yet uplifting story shows, Jimmy V was a champion — even by his own standard. *CR*

Movie Review**'Lord of the Rings: The Fellowship of the Ring' an Epic for the Ages**

• *The Lord of the Rings: The Fellowship of the Ring*, 178 min., PG-13

By **THOMAS PAUL DE WITT**
Opinion Editor

RALEIGH
Modern literature is largely devoid of epic sagas. At least for the Twentieth Century there was J.R.R. Tolkien's *The Lord of the Rings* trilogy. With the new cinematic incarnation of the work, and the second and third installments due in 2002 and 2003, director Peter Jackson of New Line Cinema has wrought what thus far is a tour de force.

The Fellowship of the Ring, the first installment, tells us much about the conflict between the depth of the written word and the difficulty of successfully translating such work into a cinematic medium. Not without its faults by a long shot, *The Fellowship of the Ring* is a triumph of modern filmmaking. And given the inherent limitations of the written work itself, Jackson and company have produced a portrayal of Tolkien's seminal work to the satisfaction of all but the most hidebound barrowwights.

A success despite faults

Some elements and characters, such as the early interlude with Tom Bombadil on the road to Rivendell, were left out simply because of considerations of time and money. Other weaknesses are intrinsic to Tolkien's work itself. Much of this has been hashed over already by countless others. There is the sidling shallowness of much of the characterization, the lack of any true sexuality in a world of romance, myth, and grandeur, and finally, albeit perhaps most surprising to many, is the absence of any hard ties to bind the tale and its progression to the sinews of Christianity.

In an age long past, 20 rings of power were wrought but with the One Ring possessing an all-encompassing power, a power



of unimaginable evil. Forged in the fires of Mordor's Mount Doom with the blood of the Dark Lord Sauron, the age-old talisman ends up in the hands of hobbit Frodo Baggins of the Shire. As the Dark Lord discovers its location in his endless pursuit to retrieve the ring and all its malevolent power, Gandalf the Grey, a grand wizard of old, comes to the Shire to make Frodo aware of the vital mission at hand.

Frodo must journey with the newly organized Fellowship — consisting of a collection of men, hobbits, an elf, and a dwarf — to the crack of Mount Doom and toss the Ring into the fire to destroy it. But the hour is late as Sauron's evil horsed visions of death, the Ringwraiths, are already hot on the trail of the Ring and have been sighted in the Shire.

Their journey is perilous and fraught with danger due to the nature, strength,

and number of enemies the company must battle. This is true also because the Ring is a powerful talisman with a seductive power on the members of the Fellowship. Along the way to Mordor's Crack of Doom, several members of the party battle their own demons because they see the Ring as either a tool to enhance their power in the service of their own people or they are tempted by the simple enticing attractions of a resident evil that begins to erode their own sense of proportion, responsibility, and camaraderie in a shared mission.

As is the nature of temptation arising from evil, the attractions of the Ring are deceptive. And whenever the Ring is actually used, its power draws the servants of the Dark Lord — be they Ringwraiths, orcs, or the tempestuous and emergent demons within the good souls of the Fellowship.

In addition to the Ringwraiths, there is Saruman, the greatest sorcerer who, though once having been Gandalf's superior, has now aligned himself with the Dark Lord and so has command of armies of orcs, or goblins in service to Sauron.

The battle scenes involving the Fellowship and the orcs in the Mines of Moria and the tumultuous forces of evil at work in Saruman's Tower of Isengard are among the most memorable in the film. And with few exceptions, the acting, given the limitations of Tolkien's characterizations, is true and as hard to the text as is the essence of this fine film.

An epic and its meaning

Many have claimed that Tolkien, a philologist who specialized in medieval languages and Anglo-Saxon verse, would be

haughtily disappointed in the film. And that may well be. Even given his endemic snobbishness this observation may nonetheless be made about most authors whose works are rendered on celluloid. Stephen King is famous for his disdain of the cinematic renditions of much of his work.

But King is no Tolkien. What we see in *The Lord of the Rings* is but a slice of a comprehensive world of language, legend, and myth Tolkien composed to design the world of Middle Earth, where, of course, the epic unfolds. Yet Tolkien was always somewhat dismissive of those who read more into the story than he intended.

The author rejected the idea that *The Lord of the Rings* is a Christian allegory. At the same time he called it a "fundamentally religious and Catholic work."

But since there is very little true religion in the saga despite its obvious framework as a battle between good and evil, we are left to wonder exactly what Tolkien intended outside of elaborate escapism.

Others claim that the work is an allegory about the rise of Hitler and the horror of world war. Given the time in which he lived and his own experiences in World War I this is a plausible supposition, one to which Tolkien and his biographers have lent some credence.

In his own estimation, Tolkien felt that the essence of his tale was about the painful choices we face in our strife between good and evil, how it effects our friendships, our heritage, about the impact of monumental challenges in our lives and how they can lead to death and loss.

This alone is reason enough to celebrate the impressive achievement of both the printed trilogy and Peter Jackson's inestimable cinematic triumph. *CT*

Not without its faults by a longshot, the 'Fellowship of the Ring' is a triumph of modern filmmaking, both gratifying and inspiring.

Book Review**Adams Offers Justification for the War for Southern Independence**

• Charles Adams: *When in the Course of Human Events: The Case for Southern Secession*, Rowman & Littlefield, 2000, \$24.95.

By **JOSEPH R. STROMBERG**
Guest Contributor

AUBURN, ALABAMA
Some reviewers have had a hard time with the present book. They imagine that there is a single historical thesis therein, one subject to definitive proof or refutation. In this, I believe they are mistaken. Instead, what we have here is a multifaceted critique of what must be the central event in American history.

This is not Mr. Adams's first book. His *For Good and Evil: The Impact of Taxes on the Course of Civilization* (1993) lives up to its title and underscores the importance of a matter frequently ignored by conventional historians. Taxation and other fiscal matters certainly play a major role in Adams's reconstruction of the War for Southern Independence.

Those who long for the simple morality play in which Father Abraham saved the Union and emancipated slaves out of his vision and kindness have complained that Adams has ignored slavery as a cause of the war.

That's incorrect. Slavery and related issues of race relations are present; they do

not, however, have the causal stage all to themselves.

In chapter one, Adams sets the American war over secession in a global context by instancing other conflicts of similar type. He plants here the first seeds of doubt that political separation is inherently immoral. Chapter two deals with Fort Sumter and Lincoln's successful gamble to have the Confederacy "start" the war. Here one learns that the fort was primarily a customs house — a nice bit of symbolism, especially since the South paid about four times as much in tariffs as the North did.

Given that, Lincoln was very concerned about his tariff revenues in the absence of the Southern states. After Fort Sumter, the (Northern) president unconstitutionally established a blockade of Southern ports on his own motion. Soon, Lincoln had robbed Maryland of self-government and was making other inroads on civil liberty — his idea of preserving the Constitution via his self-invented presidential "war powers" (of which there is not a word in the actual document).

In chapter four, Adams unfolds his revenue-based theory of the war. The shift from a propeace to a prowar position by the New York press and key business interests coincided exactly with their realization that Confederate low tariffs would draw trade

away from the North, especially in view of the far higher tariff just instituted. There is an important point here. It did not automatically follow that secession as such had to mean war. But peace foretold the end of continental mercantilism, tariffs, internal improvements, and railroad subsidies — a program which meant more than life to a powerful Northern political coalition. That coalition, of which Lincoln was the head, wanted war for a complex of material, political, and ideological reasons.

Adams also looks at what might well be called Northern war crimes. Here he can cite any number of pro-Lincoln historians, who file such things under grim necessity. Along the way, the author has time to make justified fun of Lincoln's official theory that he was dealing with a mere "rebellion" rather than with the decision of political majorities in 11 states.

Other chapters treat the so-called Copperheads, the "treason trial" of Jefferson Davis (which never took place, quite possibly because the unionist case could not have survived a fair trial), a comparative view of emancipation, and the problems of Reconstruction. The author's deconstruction of the Gettysburg Address will shock Lincoln idolators. Adams underlines out the gloomy pseudoreligious fatalism with which Lincoln salvaged his conscience in his

later speeches. This supports M. E. Bradford's division of Lincoln's career into Whig, "artificial Puritan," and practical "Cromwellian" phases — the last item pertaining to total war.

To address seriously the issues presented by Adams requires a serious imaginative effort, especially for those who never before heard such claims about the Constitution, about the war, or about Lincoln. Ernest Renan wrote that for Frenchmen to constitute a nation, they must remember certain things and were "obliged already to have forgotten" others. Adams focuses on those things that Northerners, at least, have long since forgotten.

What Adams's book, with or without a single, central thesis, does, is to reveal that in 1860 and early 1861 many Americans, north and south, doubted the existence of any federal power to coerce a state and considered peaceful separation a real possibility. In the late 1780s, *The Federalist Papers*, for example, laughed down the notion that the federal government could coerce states in their corporate, political capacity. For much of the 19th Century Americans saw the union as a practical arrangement instrumental to other values. That vision vanished in the killing and destruction of Lincoln's war. Americans paid a rather high price for making a means into an end. *CT*

Editorials

RAILROAD REDUX

Triangle Transit Authority is a money pit

Conflicts of visions, Thomas Sowell wrote in 1987, shape our history. Conversely, he observed that “conflicts of interests dominate the short run.” We can discern kernels of both types of tension in the ongoing debate over the Triangle Transit Authority and its plans for a regional light-rail system.

On the heels of Raleigh’s mayoral election in which pro-TTA candidate Charles Meeker defeated incumbent Paul Coble, some unexpected news of a long-term delay in adding a North Raleigh station to the rail system raised serious questions.

On Nov. 26 *The News & Observer* of Raleigh reported, “When commuter trains begin running through the Triangle in 2008, they won’t make it to North Raleigh, cutting out thousands of riders in the first years of the new system.” The former general manager of the TTA, Jim Ritchey, who has left for the Georgia Regional Transportation Authority, claims that this isn’t quite accurate. While the TTA’s consultant, Bob Peskin, recommended a delay of the North Raleigh leg until 2013, authority members have indicated they wanted to see alternatives to that recommendation.

Carolina Journal then reported that in December the TTA board agreed to a plan that would include North Raleigh in Phase I by 2009 by running trains at 15-minute intervals. Yet even Ritchey acknowledged this is a less than desirable solution. He also accepts that communication about TTA’s plans was not well-handled.

Nonetheless, whatever the ethical and political implications of this seeming chicanery, one of the excuses for putting North Raleigh on the last leg of Phase I — and the reason there was talk of a delay at all — is very simple. It costs too much and there is no market for it. As Ritchey has previously noted, they considered the delay because the North Raleigh leg is expected to have low ridership while also being expensive to build. In other words, it will lose money. Which should come as no surprise given that history shows us the entire TTA system is an inefficient money-losing black hole.

By way of example, consider Amtrak, which was created in 1970. U.S. Transportation Secretary John Volpe said at the time that it would be profitable within three years. Instead, the operation has swallowed \$25 billion of tax money in the past 30 years. From January through August 2001 it lost \$405 million.

In 1997 Congress established the Amtrak Reform Council and served notice that by Dec. 2, 2002 the railroad must begin operating without subsidies. On that date it would deservedly fail. But the battle goes on with folks such as Sen. Fritz Hollings, D-S.C., who introduced the Railroad Advancement and Infrastructure Law for the 21st Century on Oct. 1. The bill calls for an immediate infusion of \$4.4 billion in direct subsidies and \$42 billion in federal loans.

There are some critical reasons why Amtrak is a failure. Outside of a few high-density, short-distance corridors,

Amtrak is not a profitable organization. Train service is slower than air travel and less convenient and affordable than driving or renting a car. It is ill-suited to how people work, live, travel, and shop in the 21st century.

What’s more, a key to success in any business is cost efficiency achieved through productivity. When one combines those concerns with the simple devotion of Americans to privately oriented travel, Amtrak — or any subsidized rail system — becomes an obvious white elephant. As reported by Joseph Vranich and Edward L. Hudgins of the Cato Institute, “in 2000 Amtrak had 26,000 workers producing 5.5 billion passenger miles of output, or 213,000 miles per worker. Southwest Airlines produced 42 billion passenger miles with its 30,000 employees, seven times Amtrak’s productivity.” Whether for reasons of privacy, convenience, or cost effectiveness, both air and auto travel are more economic and desirable options for the American people.

Combinations of private and public contracting for transportation systems can be both creative and problematic. But the TTA is sauntering down a taxpayer-financed road to building a regional Amtrak. There are not enough riders to pay for such an expensive and contrived mode of transportation. In the end, the TTA’s light-rail system, as with its other tasks, will be a money pit dug to fulfill the dreams of utopian planners and social engineers. On the losing end, as always, will be the taxpayers who are forced to foot the bill. As currently conceived, there is no logical or economic justification for the TTA’s proposed rail system. It’s crib should be enshrouded as a funeral pyre.

DEBTOR PRISON

Don’t end-run constitutional rules on bonds

Constitutions, when adhered to, are remarkable documents. When they appear to be violated with impunity by elected officials, the trust and political comity necessary for democratic governance may be called into question.

Recent news regarding the accumulation of government debt obligations through so-called “certificates of participation” suggest a direct violation of state debt provisions in the North Carolina Constitution, provisions that serve to protect taxpayers from excessive spending by profigate lawmakers and administrations.

In an end-run around the Constitution, budget writers in Raleigh included a six-line provision in the current budget bill authorizing the creation of a third-party, nonprofit corporation, the North Carolina Infrastructure Finance Corporation, to build 1,000-cell prisons in Alexander, Anson, and Scotland counties.

Once built and financed through what are called “certificates of participation” the corporation would then lease the facilities to the state through a lease-purchase arrangement. Too clever by half, Lynn Phillips, assistant secretary

of the Department of Correction said, “the state has not obligated itself. The state will not use its taxing power to pay off this financing.”

However, as *Carolina Journal* has reported, the Finance Corporation can secure financing only because of the state’s obligations under the lease-purchase agreement. Former State Treasurer Harlan Boyles and former Deputy State Treasurer Charles Heatherly both say total financing costs for the three prisons would escalate from \$223.8 million to more than \$450 million.

The TTA wants to build a regional Amtrak for which taxpayers will be forced to foot the bill. The Authority should be stopped in its tracks.

While the North Carolina Supreme Court has given its seal of approval to lease-purchase agreements — and creative involvement of the private sector is, generally speaking, a good idea — it is also true that Article V, Section 3(3) of the state Constitution says, among other things, that “when the state exchanges its obligations with or in any way guarantees the debts of an individual, association or private corporation” it is defined therein as a “loan of credit.” The same language applies to local government under Article V, Section 4(5).

Once the prisons are completed and the state approves them, the lease-purchase agreement obligates the state to pay “rent” for use of the prisons, i.e. to pay for them. Heatherly said the new Infrastructure Finance Corporation “essentially has a blank check. They can sell bonds for almost anything associated with these prisons. They can charge an unlimited amount of fees to this.”

State debt and the Constitution

While there are several provisions of the Constitution that reference the type of debts the state may incur and the manner in which such debts are authorized and paid for, Article V, Sections 3 and 4 include several stipulations requiring voter approval for new debt. Boyles cogently observed that whereas last year’s \$3.1 billion in higher education bonds was widely and vocally supported (in part due to a promise not to hike taxes that was immediately broken by state leaders), the prison issue just isn’t as politically attractive. And he may well be right.

If the state’s appetite for incarceration continues to increase, it should, as the Constitution requires, have to make its case to the state’s voters when it obligates state resources of this magnitude. To finance \$450 million in capital investment by a nonprofit corporation, which is essentially what the state is doing with respect to the construction of these prisons, suggests the need for general obligation bonds rather than nonprofit, lease-purchase shell games.

Many questions should be answered by the leaders of the General Assembly and by the governor.

Certificates of participation have been used by cities, counties, hospitals, and universities. Each of them produces revenue that is used to pay the incurred debt. But these prisons are clearly not going to be money-making enterprises and, clearly, state taxpayers will be saddled with another \$450 million in debt without their approval. Why?

The Infrastructure Finance Corporation will receive tax-exempt financing for the prison projects, giving them a tremendous resource advantage. Why?

The Council of State must approve the financing before the state treasurer can sell the bonds, and although proponents claim the state is not using its full faith and credit to ensure the financing, no one of whom we are aware has made the argument that the state is going to default on the lease-purchase agreement. There will be a \$450 million debt owed by and paid by the state through its taxpayers. Why?

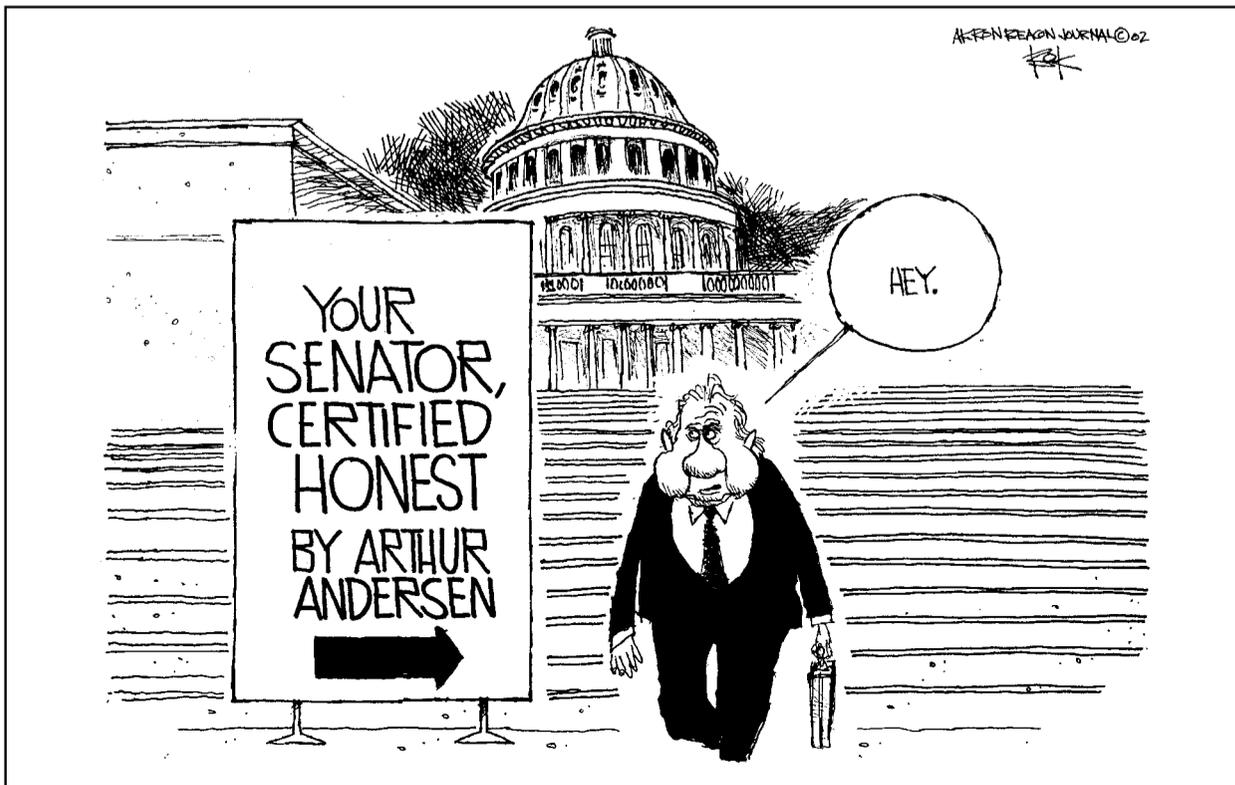
H.L. Mencken, never one to mince words, observed that “a good politician is quite as unthinkable as an honest burglar.”

Such generalizations, of course, stand athwart their exceptions, but the sentiment applies fairly in this instance. This deal has about it the unpleasant aroma of politicians afraid to face voters with the truth.

If we need more prisons, let’s debate a bond issue and vote on it as the Constitution demands. In that debate it is unlikely we would see any more honesty about the prisons’ true cost than the tales told by supporters of the \$3.1 billion in higher education bonds who claimed they wouldn’t lead to higher taxes — which, of course, they did.

But at least in that instance, there was a debate, and the voters had their say. It remains for us to determine how best to judge the success or failure of a bond issue that at least was aired in the bright light of democracy.

The suspect financing of prisons for the North Carolina Infrastructure Finance Corporation hints of subterfuge and hidden agendas. We have a constitution intended to avoid secrecy and doubt. But the politicians in the General Assembly have now torn yet another corner off that vital parchment.



BOWLES ALONE

Candidate Moving Away from Center

On January 16, Erskine Bowles went to Winston-Salem to speak to the Forsyth County Democratic Party. In our opinion, it did not help his uphill candidacy for the U.S. Senate seat being vacated by Jesse Helms. First, Bowles damaged his reputation as a centrist, pro-business Democrat by arguing in his speech against income-tax cuts and in favor of payroll tax cuts to stimulate the economy. "How do you stimulate the economy?" Bowles asked. "It's not by giving the rich a tax break. They won't spend it. It's about reducing payroll taxes."

The first problem with this argument is that it represents bad and outdated economics. We don't have recessions because consumers are stingy and won't buy enough DVD players. We have recessions when entrepreneurs and savers fail to adjust their investments to mirror changes in consumer preferences. If consumers stop spending as much on DVD players, then they start spending more on other things, or save more to spend at some future date.

In order to keep people employed producing what consumers say they want to buy, entrepreneurs have to shift their spending to other forms of production, and they have to have savers willing to invest money in their new enterprises or lines of business. Interrupt this adjustment process — say, through inflation or high taxes — and you get rising unemployment and declining incomes.

The second problem with Bowles' argument is that many centrist, pro-business voters and donors understand economics. They understand that North Carolina is suffering from a lack of productive investment in new industry at least partly because of excessive tax rates on income. Because his stated view on economic stimulus is now closer to that of Tom Daschle and Ted Kennedy than it is to actual Democratic moderates like John Breaux, Zell Miller, and, dare we say it, Reps. Bobby Etheridge and Mike McIntyre, Bowles' supposed constituency now has a reason to doubt whether he is really one of them.

Another reason to doubt Bowles' centrist credentials was his attempt to defend his former boss Bill Clinton on the former president's terrorism record. Frankly, it's indefensible. A better bet, both in political terms and on the merits, would be to say that this was an area where Bowles disagreed with him, and let it go at that.

Bowles will be a factor in the Democratic primary for U.S. Senate because he and his wife can finance a big-league campaign. But it isn't enough. He was recruited into the race by Democrats fearful that Secretary of State Elaine Marshall and former N.C. House Speaker Dan Blue were too liberal for swing voters in North Carolina.

A Bowles joined at the hip to Daschle-Kennedy economics and Clinton's anti-terrorism policy is just the kind of candidate that likely Republican nominee Elizabeth Dole wants to run against.

IF A TREE FALLS

Is NC really being denuded?

People get very emotional about trees. In 1903 President Theodore Roosevelt spent the night in Yosemite Valley. "It was like lying in a great solemn cathedral, far vaster and more beautiful than any built by the hand of man," he said.

A parochial perspective with respect to the decline in forest acreage in urban-oriented locales might lure the more sentimental among us into a false and misleading perspective on what is actually occurring on forest land in North Carolina. While there is no question that certain locales experience greater woodland loss than others, it is also true that we have no crisis of deforestation despite the caterwauling of tree-huggers and "Smart Growth" hauteurs.

Recent analyses derived from the Southern Forest Resource Assessment issued by the U.S. Forest Service point to some unsurprising conclusions. In North Carolina's more urban areas, largely concentrated in the Piedmont, forest acreage has suffered a decline. Questions arise as to how much we should be concerned about the specifics of that decline, how it fits into a historical perspective, and whether it is a matter of dire concern as suggested by environmental advocacy groups and state agencies.

At the same time that our state continues its ludicrous "economic development" policies to encourage growth, we have the same folks telling us we are killing all the trees and wiping out our arboreal heritage. A little perspective

here would be most useful. According to the same study upon which the current hysteria over "deforestation" in the Piedmont has flowered, there has been little decline in forested land in the South over the past 100 years.

While the composition of woodlands has changed with respect to variations between hardwood forests and managed softwood tree farming operations, the driving issue should not be so much an idyllic goal for Tweety and his friends so much as it should be what meets the long-term needs of the people of North Carolina.

Variations in regional development will certainly lead to the loss of woodland within certain defined regions. Short of explicit social engineering that would subvert our freedom, this is to be expected. But it is by no means a tragedy. In fact, forest acreage in the eastern United States now is perhaps as healthy as it has been in more than 100 years. Indeed, this is true of the United States in general.

Essentially, the argument must differentiate between natural deforestation and the taking of trees by development. Where tree growth has traditionally outstripped the annual harvest much of our most recent timber losses can be attributed directly to natural causes.

But whether forestry losses are due to intermittent hurricanes or development, the whole argument comes down to balancing growth with the desire to sustain the natural environment as best we can. History teaches us that land management moves in cycles from agricultural uses to forestry and, sometimes, to urban development.

While urban development may be less amenable to the vicissitudes of organized evolution, it is also true that the private ownership of land is one reason we have more forested acreage in the eastern United States now than we did 100 years ago. As noted by Larry Tombaugh of the College of Natural Resources at N.C. State University, "there has been almost no net change in the total forested acres of land (in the U.S.) over the past century."

We find the hypocrisy of the tree huggers rather laughable. They want Smart Growth, but oppose high-density development. They want affordable housing and oppose those measures necessary to achieve it such as revised zoning and, God forbid, the occasional downing of timber.

Indeed, we all love trees. But, at least in Raleigh, we are not starving for them. Trading trees for homes is a no brainer. Unless, maybe, you're Tarzan. *CI*

What a Tangled Web We Weave

It's no secret that North Carolina has big problems. Our economy, long envied, is now heading slowly but surely towards the bottom of the American heap. Just last month, new unemployment data showed that while the nation as a whole is beginning to recover from a mild recession, North Carolina posted the largest increase in jobless claims in the U.S.

In part (but not wholly) because of this, our state faces another huge budget deficit. The latest projections are between \$450 million and \$900 million in deficits through June of this year. After last year's huge tax increase, sold as the solution to our fiscal problems, this is doubly depressing. Not only might state leaders seek to foist this problem off to local governments by cutting their state tax reimbursements — thus leading to a new round of costly property tax hikes in 2002 — but the state's continued inability to set fiscal priorities means that our noncompetitive tax structure is unlikely to be improved anytime soon.

In other areas — crumbling infrastructure, improving but still substandard education, crumbling water and sewer systems down east, increasing government dependency — North Carolina continues to face major challenges. But all of these problems pale in significance when compared to the central issue facing our state: a lack of credible leadership.

I'm using polite language here. Others might say that while our state is falling behind in many areas, our politicians lead the nation in lying.

In recent years, a pattern of misrepresentation, exaggeration, and outright falsehood has robbed our state and local governments of public confidence. I am no fan of much of what government tries to do for me — or, more accurately, to me — but I don't think it is healthy for any polity to lose faith with its elected leaders.

Of Pretense and Prevarication

Consider these sorry episodes:

- In 1998 then-Gov. Jim Hunt and the state's education leaders boasted that North Carolina's gains on national tests were due to the state's new Smart Start and ABCs programs. No one ever retracted these unproven claims, which in the first case was chronologically impossible.

- In 1999, in the aftermath of Hurricane Floyd, Hunt and legislative leaders first tried to scam the federal government with wildly inflated estimates of relief needs, then enacted a huge \$837 million "emergency" package. The bill was full of excessive spending on business subsidies, housing, and other items. Perhaps most egregious was a plan to offer higher-than-market prices for flooded homes, on the shaky grounds that displaced families could not locate comparable homes at the pre-flood prices.

This spending splurge took a big chunk of state money off the table, helping to precipitate budget crises in each of the next three fiscal years. Now, more

than two years later, only about half the money has been spent. No one has offered a coherent explanation for how "emergency money" can sit in bank accounts for so long, nor has anyone apologized for misleading (perhaps innocently) the public.

- In 2000 top Democrats and Republicans campaigned vigorously for a \$3.1 billion bond issue for public colleges and universities. It was sold to state voters on the grounds that it would not result in a tax increase. A few months later, legislators raised taxes in part to pay debt service on the new bonds. No university or political leader apologized for breaking his or her promise.

- In early 2001, new Gov. Mike Easley violated his constitutional duties by proposing a state budget that was inherently unbalanced. He and legislative leaders also played down any talk of a tax increase to fix the problem — then passed a tax increase that, it turns out, didn't fix the problem.

- In summer of 2001, voters in Charlotte-Mecklenburg voted overwhelmingly against public subsidy for a new Charlotte Hornets arena. Now politicians in our state's largest city are scrambling to put together a huge subsidy for a new Hornets arena.

- In the winter of 2001, Easley, stung by criticism that his administration hadn't done enough to promote economic development, announced four major new industrial expansions in the space of a few days. But two of the four had already been announced months before. Easley's office offered no excuse for the deception.

- Perhaps to make sure Charlotte didn't outdo them, Raleigh staged its own crisis of political confidence in January 2002. Newly elected Mayor Charles Meeker came out for delaying indefinitely a portion of the planned Outer Loop that he had pledged to support a few weeks earlier during his campaign. Meeker's defense? When he said "loop," he really meant the northern arc of the loop.

I know that politicians always try to spin their way out of political cul-de-sacs. But the Clintonization of our politics has become intolerable. Rarely in North Carolina history have elected officials attempted so brazenly to mislead and trick the public. Nor could they, in my opinion, have gotten away with it in the past when the news media took their watchdog function more seriously, when they devoted more space to covering the legislature than they did to covering eye-wear fashions and restaurant ratings.

This year, when our politicians say things to placate us and earn our votes, I'd encourage my fellow North Carolinians to take heed of recent history and ask for a sworn affidavit. *CI*



John Hood

Hood is president of the John Locke Foundation, publisher of Carolina Journal, and author of the new book *Investor Politics*, available from Templeton Foundation Press.

Editorial Briefs

Stadiums devour public money

Since 1953, more than \$20 billion in public money has been lavished on construction of sports stadiums in the United States. That is 2 1/2 times what wealthy team owners have contributed.

Proponents of taxpayer financing of stadium facilities try to justify their desires on economic grounds, primarily that they contribute to cities' development and economic well-being of other businesses and citizens themselves. But in study after study, economists have reached the conclusion that subsidies for stadiums yield negligible economic benefits.

A good overview of the economics literature is provided by John Siegfried of Vanderbilt University and Andrew Zimbalist of Smith College in "The Economics of Sports Facilities and Their Communities," published in the summer 2000 issue of *The Journal of Economic Perspectives*.

They argue that there is little reason to suspect that a new sports stadium will generate sufficient revenue to justify its cost. If it did, the owners would be willing to make the investment themselves, which they are not.

"Hispanic" can be misleading term

Sociologist Amitai Etzioni contends that immigrants from Latin America remain more likely to see themselves as "Cuban Americans" or "Mexican Americans" rather than as "Hispanics."

U.S. race relations typically are cast in terms of black and white, but Hispanics have already overtaken African Americans as the nation's largest minority.

African American leaders, some Hispanic politicians, and white left-wing leaders urge Hispanics to see themselves as victims of discrimination and racism.

Etzioni sees a decades-long effort by the Census Bureau to define Hispanics as a distinct group and race. The Census Bureau in 1970 sampled 5 percent of households to determine those of Latin American origin.

In 1980, "Hispanic" became a distinct category when all households were asked whether they were of "Spanish/Hispanic origin or descent."

Subsequent censuses, including the 2000 enumeration, treated Hispanics as a separate race even though until recently they were considered as multiple ethnic groups who were racially white.

The National Latino Political Survey found that three out of four respondents chose to be labeled by their country of origin rather than by "pan-ethnic" terms such as Hispanic or Latino.

Even on the 2000 Census, 47.9 percent of Hispanics identified their race as "white" and 42.2 percent declined to provide a racial categorization.

College-educated workers on the move

State economic development officials often argue that if their states invest more in education, college graduates will constitute a better-educated workforce, which will attract more high-skilled jobs.

But as desirable as a premium workforce may be, there is a consideration that goes unaddressed: What if those graduates move to another state?

Economist John Bound of the University of Michigan and three coauthors say there is a relationship between degree production and the concentration of college-educated workers in a state's population in the long run, but it's not anywhere near as large as economic development officials might want.

A recent study reported that "states awarding relatively large numbers of BA degrees... have somewhat higher concentrations of college-educated workers; however, the link is relatively weak."

Increasing the output of college graduates in a state by 10 percent, say, has a much smaller effect on the education level of the state workforce. College-educated workers are quite mobile and, the study found, are not closely tied to their alma mater at all.

Whatever the arguments for states' investment in higher education, producing a highly educated, loyal and permanently-attached workforce may not be one of them. *CF*

**Pipe Dream: Politicians Pump Up Media**

By RICHARD WAGNER

Editor

RALEIGH

Pipeline offers fiber optic bonus, "State to piggyback Internet project on installation of natural-gas lines," "Eastern North Carolina on way to fiber optic access" the headlines shouted.

Smoke and mirrors: Wily politicians know how to use them with ease. It took about 40 of the state's notables, including various other academic and business leaders at a press conference last month, to mesmerize the state's press corps — who proved again they are more comfortable playing lapdog for the government rather than watchdog for the public.

A media circus

Barkers and bombast ruled the day. Among North Carolina's heavy hitters attending and participating were Mike Easley, governor and ringmaster of economic development; Marc Basnight, leader of the Senate; Jim Black, speaker of the House; and Molly Broad, president of the University of North Carolina.

So many reporters accepted the invitation to the event that access quickly became available by standing room only. TV cameras obliterated any view of the head table. Once the ceremonies commenced, it didn't take long for the political effluvia to rival the volatility of a can of navy beans.

The big announcement? State officials are capable of putting a fiber optic conduit in a ditch. And abracadabra, they can put the conduit in the same ditch with a natural-gas pipeline!

But wait, that's not all. This amazing feat will be performed in eastern North Carolina, which is, as everyone knows, the backwater of economic backwaters.

Poor eastern North Carolina

How poor is eastern North Carolina, according to the politicians? So poor, as Johnny Carson might have said, that Afghans would dedicate the proceeds from a bake sale to Down East. So poor that Bangladesh would relinquish its spot on a Save the Children commercial.

Down East is mired so deeply in the Dark Ages, politicians would have us believe, that another conduit might have to be built to pipe sunshine to that area of the state. Down East is so starved for knowledge that the alphabet itself couldn't provide enough words to assuage the deprivation.

"The important thing now was to get this fiber optic backbone in the ground," said John Hughes, president of the Albemarle-Pamlico Economic Development Corp. Hughes compared the digital divide that exists between rural and urban North Carolina to the divide that existed a

century ago between residents with electric power and those without, the *Associated Press* reported.

Easley and Basnight both trumpeted this "great day." "It's going to make a big, BIG difference in the quality of life for our own citizens and a lot of children out there today," Easley said, according to *The News & Observer* of Raleigh.

The *Winston Salem-Journal* reported Hughes as saying universities, community colleges and hospitals could all make use of the network, offering classes or even "telemedicine" over the high-speed Internet.

And remember, Down Easterners — are you listening? — will get natural gas and high-speed Internet access at the same time — two for almost the price of one — all for the amazing price of \$19.99! Well, not quite, but it is a bargain, we are told, at \$15 million. Politicians say its financing hasn't been determined.

But we must order it now, before the ditch is closed.

The gas pipeline is being built with money provided by a \$200 million bond referendum approved by voters in 1998. According to *The N & O*, the driving force behind the fiber-optic initiative is R.V. Owens, a Nags Head restaurateur and major political fund-raiser for Easley and Owens' uncle, Basnight. The pipeline is scheduled for completion in 2003, and the fiber-optic conduit in 2004.

Ample fiber in the east

Communications experts in the business world must have enjoyed a good laugh when they read news accounts of the conference. Many companies already provide ample high-speed Internet access in eastern North Carolina, and in the state as a whole. They also have been "piggybacking" fiber optic with pipelines, power lines, and other projects for years.

Sprint has installed 164,000 miles of fiber in 5,600 sheath miles in eastern and central North Carolina, company spokesman Tom Matthews said. Sprint provides high-speed Internet access through its FastConnect subscriber line.

Another source, who requested anonymity because of the powerful political forces at work in the project, said that so much fiber optic has been installed underground in eastern North Carolina that the supply of fiber has far exceeded demand.

"Several companies in North Carolina had an opportunity to partner" with the state in the fiber-optic venture, but declined because "they didn't see it as cost-effective," said another source who asked not to be identified.

So why did newspapers allow themselves to be manipulated so easily by the big boys in Raleigh? Maybe it was a slow news day during a slow time of the year.

Maybe the big boys knew it.

Perhaps they were worried somebody would notice that work on the pipeline was just starting, even though the bonds were approved more than three years ago. *CF*

...so much fiber has been installed underground in eastern North Carolina that the supply of fiber has far exceeded demand.

Honk If You Like Paying for Transit in Northern States

By MICHAEL L. WALDEN

Contributing Editor

A logical and reasonable tax is a user fee. A user fee is a tax paid by the direct beneficiaries of the services funded by the tax. In concept, an excellent example of a user fee is the gasoline tax. Drivers are charged a fee roughly proportional to the amount of driving done, since the fee is assessed on gallons of gasoline bought, and the funds are used to build and maintain highways. So drivers pay the tax, and in turn, they benefit from the projects and services supported by the tax.

Notice I said "in concept" that the gasoline tax is an excellent example of a user fee. Because in practice, drivers who pay the gasoline tax don't necessarily benefit from it. And, unfortunately for drivers in North Carolina, this is clearly the case.

The South gets the shaft

There are two parts to the gasoline tax we all pay when will fill our tanks. One part is the state tax, and the other is the federal tax. Together these taxes today account for more than one-third of the price of a gallon of gas. State taxes go to a state fund where political appointees and bureaucrats decide how and where the funds are spent. Federal gas taxes go to Washington, and again, politicians and bureaucrats decide what to do with the money.

The issue is, with both of these funds, there's no assurance gas tax revenues are spent in the locality where they were collected. A policy report of the John Locke Foundation, *Road and Track, Policy Report No. 27, March 1999*, examined the disbursement of state-collected gas tax revenues within North Carolina and found a mismatch between highway usage and highway spending in many counties of the state.

The disconnect between gas taxes paid and transit services received is starkly obvious for the federal gas tax. The table shows the top 15 states receiving more federal transit spending than federal gas taxes paid as well as the 15 states getting the least back in federal transit spending compared to federal gas taxes paid.

Winners and Losers in Federal Transit Funding

Dollars received in federal transit funding per dollar paid in federal gas taxes

Top Winners		Top Losers	
Dist. of Columbia	\$6.59	Alabama	\$0.56
Alaska	4.84	South Carolina	0.57
Hawaii	3.29	Mississippi	0.62
Massachusetts	2.80	North Carolina	0.63
New York	1.79	Georgia	0.63
Connecticut	1.74	Kentucky	0.64
Rhode Island	1.69	Indiana	0.67
South Dakota	1.61	Texas	0.68
North Dakota	1.59	Oklahoma	0.68
Oregon	1.55	Tennessee	0.69
New Jersey	1.45	Kansas	0.69
Montana	1.44	Virginia	0.70
Vermont	1.37	Florida	0.71
Delaware	1.28	Colorado	0.71
Maryland	1.23	Louisiana	0.71

Data are for 1997, the latest year available

Sources: U.S. Bureau of the Census; The Tax Foundation

North Carolina clearly comes out on the "short end of the stick," receiving only 63 cents in federal transit spending for every dollar in federal gas taxes paid. In fact, it's very revealing that most of the "top losers" are states in the South, while most of the "top winners" are states in the North. So, there's certainly a regional subsidization from the South to the North in the federal transit system. Perhaps it's unacknowledged reparations for the Civil War!

We're also not talking about "small potatoes" here. Over the period from 1995 to 2000, North Carolina paid an annual average of more than \$300 million more in federal gas taxes than received in federal highway spending.

Federalism run amok

One of the stated reasons for the federal government to tax and spend for governmental services is that the federal government can use this power to "even out" public services across "rich" states and "poor" states alike. That is, the federal government can tax rich states to provide needed services in poor states.

Even if one accepts this rationale as a valid reason for federal activism, it certainly doesn't work in transportation spending. If anything, a "reverse Robin Hood" is occurring in the federal government's intervention in transportation. Relatively poor states like Louisiana, Mississippi, and Alabama are subsidizing rich states like New York, New Jersey, and Connecticut.

One reason for this is that almost 20 percent of federal gas tax revenues aren't spent for highways. Instead, they're spent for mass-transit systems like subways and light rail. So farmers and textile workers in rural North Carolina are subsidizing the subway rides of stock brokers and real estate bigwigs in Boston and New York!

An obvious reform

An obvious way to end this subsidization madness is to get the federal government out of the land transportation business. Slash the federal gas tax to zero or near zero. Let states and localities bear the full financial responsibility for land transportation within their borders. Let the mass-transit systems in other states figure out ways to pay their own way. Reconnect the funding and spending for roads at the local level.

If this advice is followed, North Carolina, and indeed, most of the South, would come out way ahead. Let's face it, the Civil War ended 135 years ago. Drivers in the South no longer should be paying drivers in the North. **CU**

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Higher Education's Diversity Movement Marches On

By GEORGE C. LEEF

Contributing Editor

Despite recent setbacks in court and state referenda against race-based student admissions, the large and influential diversity movement continues to press for its vision of what American higher education should be. American colleges and universities are, and for the most part always have been, places of tolerance, openness, and inclusivity (to use three favorite movement terms), but the movement isn't satisfied with conditions on campuses these days. Students of every possible description are eagerly sought by the overwhelming majority of schools and are given kid-glove treatment once they enroll. They can, by and large, study what they want and take all the time they want to graduate.

Government and private financial assistance is readily available. Students who are not academically ready for college work (the demands of which have fallen considerably over the last 40 years) are admitted anyway, provided they take remedial courses.

More diversity, movement says

Never mind — the movement says, we don't have enough diversity. The curriculum at many schools is not diverse enough, which is to say that there isn't a _____-Studies major for every ethnic group. The faculty isn't diverse enough, which is to say that many minority groups are "under-represented." And the student body is not diverse enough, which is to say that we don't have a perfect correspondence between each of the 63 or whatever the number was of racial groups recognized by the Census and the percentage of students from each group on campus.

To keep up the momentum toward the dream of perfect diversity, the movement needs to keep inventing reasons for more diversity. The currently fashionable reason is that it's great for education. The more diversity we have, the better students learn and the better workers they become. In litigation over its policy of racial preferences, the

University of Michigan has wheeled that argument out, and in early January, a group called the Business-Higher Education Forum released a paper called "Investing in People" that trumpets the same message. UNC President Molly Broad is one of the members of the Business-Higher Education Forum, so the paper is presumably in harmony with her thinking.

Relying heavily on the "research" that UM asked one of its professors, Patricia Gurin, to whip up to help with the case against it, "Investing in People" concludes that "racial and ethnic diversity is absolutely essential to excellence in education."

Absolutely essential to excellence? So it isn't possible for a student to receive an excellent education in the absence of faculty, curriculum and student body carefully engineered for "diversity?" Really? Yup. Diverse is always better: "The improved ability to think critically, to understand issues from different points of view, and to collaborate harmoniously with co-workers from a wide range of cultural backgrounds all enhance a college graduate's ability to contribute to her or her company's growth and productivity."

Movement's researcher earns 'F'

But how do we know that? Gurin's research, of course. There's just one problem — Gurin's research would get an "F" in an undergraduate statistics class. (Well, more likely a "C" in our era of grade inflation.)

Months before "Investing in People" was released, two papers subjecting Gurin's research to withering scrutiny were published, one by Professors Thomas Wood (University of California) and Malcolm Sherman (SUNY), the other by statistics experts Robert Lerner and Althea Nagai. Both papers point out a host of stunning errors in Gurin's work, such as the fact that it didn't use a random sample of students. But the scholarly demolition of Gurin's study doesn't keep "Investing in People" from repeating her conclusions.

For instance, Gurin states that students are more likely

to become "critical thinkers" if they have been in a "diverse" campus environment. But there is no evidence for that conclusion except the statements of students in that nonrandom sample. A lot of them said they thought that being on a diverse campus enhanced their "critical thinking" ability, but don't bother looking for any independent verification of those sentiments. There isn't any.

Another supposed educational benefit of diversity is that it will make Americans better prepared to participate in the global economy. "Investing in People" tells us that "employees who have studied and lived with people from a range of racial, ethnic, and cultural backgrounds are better prepared to collaborate with colleagues around the globe, as well as to perceive and respond to worldwide business opportunities." The proof given for this assertion is a sentence from a corporate human resources vice president to the effect that it is good for a company to "bring to the table" different ideas, constructs, and backgrounds.

That may be so, but it's far from proof that we need increased diversity on campus. Businesses that need different ideas, constructs, and backgrounds will have no trouble finding the people they need whether or not universities keep going toward the Diversity Utopia. Somehow the un-diverse Japanese and Swedes, for example, have managed to find the employees they need to do well in the world of international trade.

Here's what the movement wants us to believe: If University A sticks to a traditional academic curriculum, hires the best professors it can, and admits students who want to attend solely on the basis of their likelihood of success, and University B loads its curriculum with multicultural courses, hires its faculty to make sure that it "looks like America," and admits students to fulfill quotas, University B is definitely the better institution. That's preposterous on its face, so we need to wear down people's skepticism by repeating over and over, "Diversity is good for education."

The funny thing is that liberalism survives by propounding lots of nonsensical tropes like that, which couldn't last a minute if people really engaged in critical thinking. **CU**

State Pulls Out All the Stops on Tax Terrorists

Fed-up legislators unleash tax czar, bounty hunters, hate-crime legislation and Smart Bombs

By **DON GRIDLOCK**

Anti-Tax Terrorism Correspondent

RALEIGH

Simon Schnitzeldorf pondered the huge sign dripping crimson in the tax collector's office:

"Taxes, after all, are the dues that we pay for the privileges of membership in an organized society." — Franklin D. Roosevelt

"I am so lucky," Schnitzeldorf thought as he dutifully handed this week's paycheck to Boris Tollsins, revenue czar of the state of North Carolina.

Schnitzeldorf's offering to the Department of Revenue was the 195th paycheck he had contributed in the past five years, following his monthly equation of three paychecks to "society" and one for himself and his family of six.

Tollsins patted the 6-foot-2, 98-pound Schnitzeldorf on the back and chuckled. "Simon, my friend, all Carolinians should be as privileged as you are. You certainly are a dues-paying member of organized society," said the czar.

Schnitzeldorf was so organized he was a full-fledged member of no less than two dozen associations. His favorites were FOOLS (Federation Of Oppressed Liberals and Sycophants), SOAK (Society Of Aggrieved Keynesians), HURT (Hate Undermines Rare Trees), and AWFUL (Animals Wishing For Unadulterated Liberals).

"I'm trying my best," Schnitzeldorf said. "But I just don't understand those tax



One of the state's new tax collectors prepares to welcome scofflaws to debtor's prison.

scofflaws I read about in the newspaper. You know, the ones you vowed to hunt down, no matter how long it took?"

"And I will, too, Tollsins said. "I and my 44 new tax collectors will squeeze out every nickel in back taxes they owe the state."

Tollsins has a reputation as a man who can get the job done. State lawmakers unleashed Tollsins and agreed to add the new tax collectors last year after the czar promised he could deliver \$150 million in back taxes over the next two years.

Legislators thought so much of Schnitzeldorf and people like him that they

raised their taxes last year by \$1 billion. Not ones to play favorites, the lawmakers also decided to raise taxes on everyone else in the state.

The New Way

Then they brought in the hatchet man Tollsins. The first thing he did was to construct a Hall of Shame, listing the names of delinquent taxpayers. Then newspapers printed the list.

Now he's considering hiring bounty hunters to bag scofflaws that somehow es-

cape the dragnet laid down by his agents. "If that's what it takes, then we'll get 'em — dead or alive," he hissed as he hammered a poster on the wall.

The state has put more of its smart money on Rep. Lou Key, who plans to introduce hate-crime legislation that would spell doom for citizens who don't like to pay taxes.

"We've got Smart Start and Smart Growth. All the smart money is against these tax-hating terrorists," Key said.

If that fails, for the first time this year the legislature has Smart Bombs, too, at its disposal to go after tax rebels. The Easley administration secured the Smart Bombs from the U.S. military at a smart cost of \$5 million per weapon.

"First, we're going to count on good people like Schnitzeldorf here to turn them in. If that doesn't work, well, then they deserve whatever comes to 'em," Tollsins said.

"Myself, I'm certainly glad I'm able to pay taxes for things that matter in this state," Schnitzeldorf said. "The Global TransPark and other wonderful ideas like it are leading the way in economic development. And just look at all the wonderful things happening in education!"

Schnitzeldorf shook the czar's hand.

"You can count on me," he said. "I really don't care where my family's next meal comes from. I know you and people like you can spend my hard-earned money better than I can." CF



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