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History Goes Haywire

CAROLINA JOURNAL

• Funds Misdirected
To Economic Agency

"Going Broke by Degree"

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North Carolina Isn't the Only State With a 'Leandro'



The U.S. Supreme Court issued the *Brown vs. Board of Education* decision in 1954.

*Constitutional challenges
filed in 44 other states
over their school funding*

By PAUL CHESSER
Associate Editor

RALEIGH

In Kansas, the plaintiff was *Montoy*. In Connecticut, it was *Sheff*, and *Brigham* filed the complaint in Vermont.

The *Leandro* lawsuit, in which the state Supreme Court ruled that North Carolina has a constitutional obligation to adequately fund education in its poorer counties, has had sibling cases in 44 other states. That is because almost every state in the union has a constitutional provision similar to North Carolina's, which promises a "sound and basic education" for all its residents.

According to the Campaign for Fiscal Equity, an organization that advocates for adequate public education funding, every state except Delaware,

Hawaii, Mississippi, Nevada, and Utah has had litigation over the constitutionality of its K-12 funding.

However, over the last 40 or so years, the lawsuits have taken different forms with varying success.

Education lawsuit history

The U.S. Supreme Court's *Brown v. Board of Education* decision in 1954 was intended to end schools' segregation of blacks and whites, but real progress toward integration, especially in the South, didn't develop until the early 1970s. Many schools remained naturally segregated because blacks generally lived in neighborhoods apart from whites.

According to a documentary article by Michael A. Rebell entitled "Educational Adequacy, Democracy, and the Courts," education reformers in the late 1960s began to test legal theories in various state and federal lawsuits. Rebell is

Continued as "There's a History," Page 2

Light-Rail Transit Systems Run Deep In the Red, Trends Show

By BOB FLISS
Contributing Editor

RALEIGH

Even while North Carolina's three largest metro areas try to boost their "world class city" credentials with new light-rail transit systems, ridership trends suggest that such prestige projects will only aggravate already-

spiraling costs.

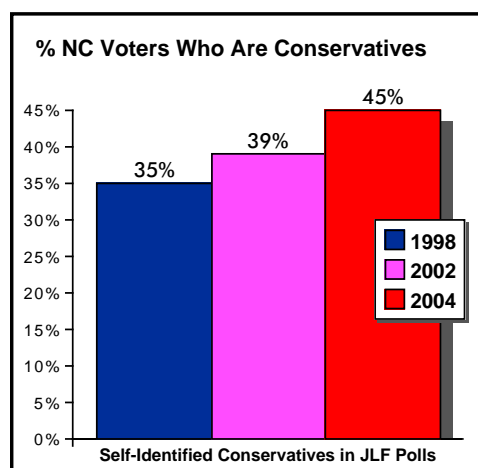
Nowhere is this more evident than in Raleigh-Durham-Chapel Hill, where the Triangle Transit Authority is the lead agency for a regional light-rail system that is supposed to cost about \$630 million.

TTA's project got plenty of the wrong kind of attention early this year

when it got snubbed in President Bush's budget recommendations, even while Charlotte hit the jackpot with about \$199 million. It also came out at the same time that the Federal Transit Administration had major questions about some of the ridership forecasting models used by TTA and the other Triangle-area planning organizations.

This setback also came at a time when TTA is also trying to grapple with problems in its current cost structure. The organization has been drawing down its cash reserves to meet operating expenses, and this trend has in-

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There's a History Behind Education Lawsuits

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executive director of the Campaign for Fiscal Equity, a nonprofit group that seeks education reform through increased, equalized spending for "disadvantaged" public schools. CFE has litigated against New York State for years over school funding adequacy, and the organization also closely tracks similar lawsuits in every other state in the country.

"Rooted in the traditional pattern of local control of schooling in America," Rebell wrote in his article, "most state systems required much of the funding for public schools to be obtained from local property taxes, a method that inherently disadvantaged students who attended schools in areas that had low property wealth."

Reformers in the early 1970s first sought relief from the inequity through the federal courts. A San Antonio case, which claimed that Texas' system for financing education was discriminatory, was found by the Supreme Court not to have a legitimate legal basis in the federal constitution. Rebell quoted Justice Lewis F. Powell, Jr., who wrote in the majority opinion, "[No] charge fairly could be made...that the system fails to provide each child with an opportunity to acquire the basic minimal skills necessary for the enjoyment of the rights of speech and of full participation in the political process."

But the court majority expressed an understanding of the plaintiffs' plight, Rebell wrote, noting that Powell said "this Court's action today is not to be viewed as placing its judicial imprimatur on the status quo."

"The court clearly hoped that both scholars' and the legislatures in the various states' would come up with 'ultimate solutions' to these complex problems," Rebell wrote, paraphrasing the court.

In the ensuing years, education advocates and their lawyers adopted the "fiscal neutrality principle," which held that each state "has a constitutional obligation to equalize the value of the taxable wealth in each district, so that equal tax efforts will yield equal resources," according to Rebell. They succeeded in some states, including California, under that argument, which led some legislatures to institute policies of redistribution of resources from wealthy school districts to poor ones.

But by the mid-1980s state supreme courts "tended to rule in the defendants' (or states') favor," emphasizing more the precedents set in the San Antonio case, Rebell said. "Fiscal neutrality," or equity, proved difficult to implement, and though the funding gap was reduced, other forces such as hiring decisions and student makeup hindered the effort to reach achievement equity.

In the late 1980s, however, lawyers and plaintiffs in education funding cases



Robb Leandro

turned from a strategy of "equity" to "adequacy" under state constitutions. The standards-based reform movement, which blossomed in the mid-to-late 1980s, led many states to raise their requirements for student promotion and graduation. It provided advocates for poorer schools a foundation upon which they could build cases that proved students in their districts were failing to receive an adequate education.

"'Adequate education' was no longer a vague notion that could be assumed almost in passing to describe any state education system," Rebell wrote. "The concept now had substantive content..."

Since 1989, according to statistics compiled by the Campaign for Fiscal Equity, 19 of 29 lawsuits argued on educational adequacy grounds were won by the plaintiffs. North Carolina's *Leandro* decision, reached in 2004 by the state Supreme Court, was among the successful cases. In addition, CFE said courts in several states, including South Carolina and Idaho, "reverse(d) or distinguish(ed) earlier cases in which defendants had prevailed."

Court decisions not the end

Today, even if a state Supreme Court has ruled its education financing system unconstitutional, the legal wrangling over plans and funding still continues.

In New Jersey, *Abbott v. Burke* was filed in 1981 and has since seen 10 court decisions related to the case. Typical of many of the education funding lawsuits, the various decisions reflect negotiations between the state and the plaintiffs over implementation of programs and new laws, as well as the funding for them.

As Judge Howard Manning has done with the *Leandro* case in North Carolina, courts continue to hold hearings long after their decisions so that states are held accountable. Last May the Arkansas Supreme Court heard arguments over whether the legislature had complied with its November 2002 order.



Judge Howard Manning

Cases also drag out because both plaintiffs and defendants file challenges under the decisions because they complain that their legal opponents are failing to comply with standards set by the courts. Many adequacy suits seem to have no end.

In Wyoming the Supreme Court said that education costs, class size, and teacher salaries should be reviewed every five years, and inflation costs reviewed every two years.

Costing out or costing ouch?

In Arkansas, the state Supreme Court ordered the state to conduct a "costing out" study to determine how much money was needed to provide enough resources for a "general, suitable and efficient system of free public schools" as its constitution requires. The findings released in September 2003 determined that in order to provide adequate resources for its students, Arkansas would need to raise education spending by \$848 million, a 33 percent increase over its current spending.

Arkansas was one of only five states in which the studies were ordered by its courts. Similar studies with varying formulas and bases have been conducted in 32 states, 21 of them initiated by the states themselves and the rest commissioned by outside groups.

The findings are usually staggering, often calling for hundreds of millions of dollars in spending increases. A state-ordered study in North Dakota recommended a spending increase of up to \$866 million, a 31 percent increase. That would represent an additional \$2,000 spent per pupil in the state.

A study conducted by an outside group in Missouri determined that the state needed to raise its education spending by \$913 million, or by 15.7 percent. The authors went so far as to call for a statewide property tax to raise additional revenues.

No costing study has been ordered in North Carolina — yet. So far, Gov. Mike Easley and the General Assembly are trying to spend just enough to keep Manning satisfied. CJ

Costs of Light-Rail Projects Running Away in 'World-Class Cities'

Continued From Page 1

creased over the last few years. While TTA, like all North Carolina transit agencies, is heavily subsidized, several board members have asked publicly whether more fiscal discipline isn't needed.

TTA is also trying to tinker with its service mix to boost revenue. In April, TTA introduced evening buses direct to Durham Bulls baseball games. New intercity express services are being contemplated and some unproductive routes may be dropped.

\$380,000 for consultants

But as far as the federal grant is concerned, it's back to the grindstone, at least until late summer, TTA spokesman Garold Smith said. TTA has hired a consulting firm for nearly \$380,000 to help iron out kinks in various computer models and whip the ridership projections into a shape that will be acceptable to the federal funders.

"I think it's important to note that the federal people never questioned the need for the project," Smith said.

TTA has already received about \$85 million for the light-rail project over several federal budgets. Smith said that it's entirely possible that this year's request, about \$30 million, will be restored after the problems with the forecasts have been worked out.

Expert expresses doubts

David Hartgen, professor of transportation at the University of North Carolina at Charlotte, said that TTA's management may be too optimistic. "Competition for these dollars has become very intense and a few months delay could put them back a year or more," Hartgen said.

"All the cities vying for transit dollars are required to make careful estimates of what traffic will be. Those numbers are compared against costs, so that the feds have some measure of the overall cost-effectiveness of these investments across the country," Hartgen said.

One important number is the cost to attract one new rider to the transit system, Hartgen said. Anything above \$25 is going to be suspect — and Hartgen noted that Charlotte's \$400 million light-rail system just barely made the cut, by this criterion. Always, the feds are looking for projects that have some reasonable expectation of persuading automobile commuters to switch to mass transit. Projects that promise only to get bus riders to switch to light rail are unlikely to get funded.

Hartgen explained that these statistical ridership models hinge on forecasts of the degree to which traffic congestion will worsen in a community over time. The assumption here is that the worse congestion is, the more commuters will be motivated to switch to



Triangle Transit Authority service is heavily subsidized, as is Charlotte's CATS service

mass transit.

There are a few flaws in this assumption, Hartgen said. First, the models tend to overlook the degree to which commuters will change their driving habits — leaving earlier for work, for example — rather than give up their cars.

Also, the models have to account for regional growth in population and business activity, which are largely out of the hands of planners, Hartgen said.

Any accurate model also has to reflect any upcoming changes to the local highway system. A forecast that assumes there will be no highway improvements will tend to maximize potential new transit riders. But in the real world, highway improvements would be going on even as the mass-transit system expanded, Hartgen said.

Costs continue to escalate

Public transportation historically has been heavily subsidized everywhere in North Carolina. A particular cause for concern is that the gap between ticket revenues and operating expenses grows wider each year, according to figures compiled by Hartgen.

This has not deterred the Charlotte Area Transit System, which started work this year on a light-rail system estimated at \$427 million.

Considering that CATS' annual budget of about \$60 million represents nearly half the mass-transit money spent

in North Carolina, \$400 million for a light-rail system might be considered proportional to the size of the city's current transit program.

Also, Charlotte's light-rail system is designed to provide a link between the suburbs and a fairly well-developed downtown business and entertainment district.

Even so, Charlotte is a typically sprawling New South city, and for that reason considered by many transit critics such as Hartgen as a poor prospect for light rail.

Different story elsewhere

By comparison, the cities of the Research Triangle and Piedmont Triad are even more spread out than Charlotte and have relatively small central business districts.

Yet, Raleigh-Durham-Chapel Hill is supposed to get light rail by 2008, and plans are on the table for a light-rail system

to connect Greensboro and Winston-Salem early in the next decade.

TTA also has the dubious distinction of being the most heavily subsidized system in North Carolina, according to one key measurement.

TTA's average cost per trip was

\$7.86 in 2003, the last year studied by Hartgen. The system's costs have risen about twice as fast as its revenue from bus ticket sales. TTA spent \$7.6 million on operations in 2003, versus \$3.9 million in 1997. But ticket revenue over this period rose only from \$648,000 to \$973,000.

Historically, TTA has always been the most costly transit system in North Carolina. Hartgen said that this is partly because its market is so diffuse.

Raleigh, Durham, and Chapel Hill all have well-established city bus services, with TTA's routes linking the communities. While this made TTA the natural agency to oversee light rail in the Research Triangle, it's also a long-term problem that's likely to get worse if the light-rail system ever gets built.

"Basically, what you have are routes linking downtown to downtown. These are less likely to attract a lot of riders than service between the suburbs and downtown," Hartgen said.

By comparison, Charlotte's light-rail system will mainly move suburban commuters to downtown. This is at least a logical model, Hartgen said, although he still thinks it will prove far too costly.

TTA's cost structure is conspicuously high. The next-worst is Greensboro, which carried passengers at a per-trip cost of \$4.56 in 2003.

Charlotte's dubious example

But, as North Carolina's largest system, Charlotte may provide the best yardstick against which to measure all others. Again, Charlotte repeats the disturbing trend of costs rising much faster than revenues.

CATS's operating costs nearly tripled from \$22.9 million in 1997 to \$63.2 million in 2003. Meanwhile, fare revenues rose from \$6.1 million to \$8.9 million over the same period.

CATS was at least able to achieve a substantial increase in ridership over the seven-year study period — 11.7 million trips in 1997 against 18.9 million in 2003.

While this additional patronage certainly makes good talking points for Charlotte's new rail system, it hasn't

translated into a stable cost structure. It cost CATS about \$1.96 a trip to carry 1997's passengers. By 2003, many more people were using CATS, but at a cost of \$3.35 a trip.

Even TTA's neighboring transit

systems aren't generating enough business to suggest that the Research Triangle desperately needs to move up to light rail. Raleigh's Capital Area Transit actually saw no growth in ridership or ticket revenues from 1997 to 2003. Yet its per-trip costs rose from \$2.02 to \$3.13. *cj*

"Competition for these dollars has become very intense and a few months delay could put them back a year or more."

*Department of Commerce issued checks to wrong organization***More Than \$2 Million Paid to Nonprofit was Unauthorized**

By PAUL CHESSER

Associate Editor

RALEIGH

The state Department of Commerce, apparently for several years, paid a private nonprofit organization for economic development funds that by law should have been paid to a state-established commission.

Until June 2003, Commerce's fiscal department issued checks that, by statute and under the biennial state budget laws, should have gone to the Northeastern North Carolina Regional Economic Development Commission. Instead the "pass-through" payments were made to North Carolina's Northeast Partnership, a nonprofit organization established by some of the same board members as the commission, but not considered to be a public agency by its staff, board members, and lawyer.

Exactly how much money was paid to the Partnership could not be established, because Commerce's retention policy for records provides that it keep documents for only the previous three years. But the Partnership was paid \$1.33 million for fiscal 2002-03, and records obtained by *Carolina Journal* show that the Partnership was paid \$1.35 million in 2001-02.

The Partnership has been the subject of previous *CJ* stories in which its executive director, Rick Watson, may have had a conflict of interest because of his personal investment in a fingerprint technology company, and because of attempts to gain equity in companies that he tried to recruit to the state.

Watson would not accept calls from *CJ*, and the Partnership's finance officer, Sarah Jackson, declined to answer questions about the two organizations. Jack Runion, board chairman of both the commission and the Partnership, could not be reached. Watson routinely ignores requests for interviews by phone and e-mail from *CJ*.

Partnership says it's not public

The Partnership's lawyer, Ernie Pearson of Sanford Holshouser LLP in Raleigh, has told *CJ* in the past that the organization is not a public agency and is not subject to the public records law. He said he does recognize that the Commission is a public agency.

"However, [the Commission] serves as an administrative body and all recruitment activities have for years been carried out in that region by North Carolina's Northeast Partnership," Pearson told *CJ* in a March 18, 2005 written response to a records request for documents related to the fingerprint company. "Consequently, the Commission does not have any files on the subject projects."

Despite Pearson's claim, the Partnership in the past has complied with



Ernie Pearson, Northeast Partnership's lawyer, says it's not a public agency

some records requests from *CJ*, although in some cases negotiations to gain their release have been lengthy. But because the Partnership does not consider itself a public agency, it is not known whether those requests were completely fulfilled.

In 1999 the Partnership sought from then-Attorney General Mike Easley a legal opinion about whether the organization is subject to the state's public records law.

The response, written by former deputy attorney general Reginald Watkins, determined that the Partnership was a state agency and "fully subject to the Public Records Act."

The commission was created to operate administratively under Commerce by the General Assembly in 1993, but was to "exercise its statutory powers and duties independently of [Commerce]." But according to Watkins's opinion, the commission's meeting minutes of July 27, 1994 stated that as of Aug. 1, 1994, it "would no longer be affiliated with the Department of Commerce, State of North Carolina, but would, as of that date, begin operating on its [sic] own."

In September 1994 Watson filed articles of incorporation for the Partnership. "The Partnership's articles of incorporation and bylaws indicate that it assumed the duties and functions of the Commission associated with economic and tourism development," Watkins wrote, "and that members of the Commission automatically became members of the Board of Directors of the Partnership by virtue of their appointment to the Commission."

The commission's board of directors consists of 18 members, with an equal number of appointees made by the governor, the speaker of the House, and the president pro tem of the Senate. But the Partnership no longer shares the same identical board members as the commission, although Runion chairs both. The Partnership has an eight-member board, according to its website.

Watkins said in the opinion that because the Partnership receives ap-



Rep. John Rhodes, R-Mecklenburg, says payments "raise red flags"

proximately \$1 million in Commerce money each year, it is subject to state audits, and must submit financial information each year to the state, that it is subject to the public records law. But even he seemed confused by the official responsibilities of the Northeast organizations.

"Although the Commission apparently still exists," Watkins wrote, "it is unclear what functions or duties, if any it performs. The Commission was not authorized to remove itself from [Commerce] in 1994."

"There is nothing in [the statute] that grants the Commission the authority to divest itself of its statutory powers and duties in the areas of economic and tourism development. Nor can such authority be implied as reasonably necessary as an incident to the accomplishment of the purposes for which the Commission was created."

Similar agencies public

Two other regional state commissions, created in likewise fashion at the same time as the Northeast Commission in 1993, have operated under Commerce without declaring their independence. The Western Regional Economic Development Commission, doing business as AdvantageWest, has remained a state agency for 11 years while also registering as a nonprofit agency that can raise private funds. A single board of directors runs the organization.

"We are able to do it all under that one umbrella," said AdvantageWest President Dale Carroll.

The Southeastern Regional Economic Development Commission, or North Carolina's Southeast, operates similarly.

"If we made payments to the Partnership, it was because the Commission requested us to do so," said Commerce spokeswoman Alice Garland in an e-mail.

"In August 2003, the Partnership designated the Commission as the entity to receive the funding appropriated

by the Legislature."

Why the Partnership in 2003 requested that Commerce issue checks to the commission remains in question. But under state statutes the Partnership, as a separate organization, had no power to authorize the change or to receive the payments in the first place.

Watson creates organizations

In addition to the commission and the Partnership, Watson has created other affiliated organizations: North Carolina's Northeast Committee of 1000; North Carolina's Northeast Economic Development Foundation; and the North Carolina's Northeast Partnership for Financing — which was created last November.

In July 2003 he filed a request with the secretary of state's office changing the name from "Northeastern North Carolina Regional Economic Development Partnership" to "North Carolina's Northeast Economic Development Partnership."

Last August he changed the official name again, to "North Carolina's Northeast Partnership."

Watson in 2003 also changed some key provisions to the Partnership's articles of incorporation. He greatly broadened the official "purposes" of the organization to include any activities outside of economic development.

He also removed the Department of Commerce as the recipient of all the Partnership's assets should it be dissolved, leaving the decision with the board of directors.

Watson also amended the articles to allow directors and officers of the Partnership to receive "reasonable compensation for services rendered..." and "reasonable expenses incurred in furtherance of the [Partnership's] business..."

The changes also protected current and former directors, officers, employees and agents of the Partnership from financial expenses incurred from "actual or threatened litigation."

Rep. John Rhodes, a Mecklenburg Republican who last year requested that former State Auditor Ralph Campbell investigate the Northeast Partnership and Northeast Commission, said the arrangement needed scrutiny and the payments from Commerce to the Partnership "raises many red flags."

He said the proliferation of state-established and state-funded nonprofits, their legal status, and their relationship to public agencies confuses taxpayers.

"The relationships between these entities are so convoluted, that when a question arises about propriety, it's almost like chasing your own tail," Rhodes said. "They run you around until you get so frustrated that you give up." *CJ*

Morgan doled out pork from other slush funds

Former Cospeaker Controlled Another Account of \$1.5 Million

By DON CARRINGTON

Associate Publisher

RALEIGH

In addition to the \$2.4 million discretionary fund parked at the Department of Health and Human Services that he and Speaker Jim Black were to divide, former Republican House Cospeaker Richard Morgan controlled \$1.5 million in another account.

Last fall, Morgan instructed the Department of Health and Human Services to send \$500,000 to his district of Moore County to set up a senior center. He later decided to double it.

On Oct. 14, 2004, DHHS Division of Aging and Adult Services Director Karen Gottovi sent a memo to Moore County Manager Steve Wyatt informing him of the money.

"The Joint Conference Committee Report on the Continuation, Expansion, and Capital Budget authorizes \$500,000 for the development of a senior center in Moore County," the memo stated.

But Gottovi's statement about the source of funds was incorrect. No specific line item mentioned the Moore County funds, and which account the funds were to come from was not clear.

On Dec. 16, 2004, DHHS budget analyst Pam Leaman notified Aleta Mills in Secretary Carmen Hooker Odom's office that Morgan wanted more money for the project.

"In a conversation with Sabra Faires

in Morgan's office today we have learned that the additional \$500K was placed in a reserve in DHHS's budget, not in OSBM's (Office of State Budget and Management). The Division of Aging is ready to allocate the \$1 million NR (nonrecurring) funds to Moore County."

But the exact source of funds was still not clear.

On Dec. 17 Faires, Morgan's chief of staff and general counsel, sent a request to then-DHHS Deputy Secretary Lanier Cansler telling him where the money was to come from. Half of the \$1 million was to come from a \$1,831,000 appropriation to the Division of Aging and Adult Services for Senior Center Outreach and Development. The other half was to come from the \$2.4 million reserve account at DHHS that then-Cospeaker Black and Morgan had agreed to split.

On Jan. 24, 2005 Moore County sent



State Rep. Richard Morgan, R-Moore

an application for a \$1 million grant to the Division of Aging and Adult Services.

According to Wyatt, buying the property and converting it to a senior center and headquarters for the county's Department of Aging will cost a total \$1.4 million. Asked what he knew about Morgan's role in the grant process, Wyatt told *Carolina Journal*, "It is my understanding that he worked out all the

logistics."

Asked if the county had considered other funding, he said, "There were attempts to do private fund-raising drives, but the efforts never took off."

The 2002 per-capita income in Moore County was \$32,107, 16 percent higher than the state average, and the fifth-highest county per-capita income in the state.

In addition to the Moore County project, the Division of Aging and Adult

Services notified Gaston County Manager Jan Winters on Oct. 14 that his county would receive \$1 million for a senior center.

According to Gaston County Commission Clerk Martha Jordan, Rep. Debbie Clary, who represents Cleveland and Gaston counties, arranged the grant.

"The County Commission is reviewing alternatives, but has not yet decided on a site," Jordan said.

Clary, a House Appropriations co-chair at the time, supported the co-speakership arrangement between Black and Morgan.

Cansler, a former Republican House member, told *CJ* how the grants materialized. He said he was the point of contact for all legislative requests. He said that during the budget negotiation process, Rep. Clary told him that \$1.5 million had been added to the Division of Aging and Adult Services budget for distribution to senior centers in Moore and Gaston counties.

When asked why he was taking orders from legislators, he said, "Unless the governor says don't, we do as directed by the legislature. If the speaker says to do it, we do it."

Asked if Gov. Mike Easley knew about the requests, Cansler said, "I don't know. I didn't tell him. The dollars were disbursed as directed by the General Assembly leadership." *CJ*

Ballance Pled Guilty, But Kept Making Political Contributions

By DON CARRINGTON

Executive Editor

RALEIGH

Former 1st District U.S. Rep. Frank Ballance made a total of \$53,500 in political contributions from his federal campaign fund in a nine-week period surrounding the signing of a plea agreement Aug. 30 that required him to make \$61,917 in restitution payments.

The agreement required Ballance to plead guilty to conspiracy to commit mail fraud and money laundering. It also required him to make restitution to the State of North Carolina, and to forfeit all assets of the John A. Hyman Memorial Youth Foundation.

The political contributions went to the 1st District Democrat Party, the Democratic Congressional Campaign Committee, the Democratic National Committee, and the Warren County Political Action Committee.

He gave a total of \$10,000 before Aug. 30 and continued after signing the agreement. On Sept. 6 he gave \$25,000 to the Democratic Congressional Campaign Committee. On Oct. 6, he gave \$6,500 to the North Carolina Democratic Party. On Oct. 21 contributions included

\$4,000 to the Warren County Political Action Committee, and \$2,000 to the Robert Holloman Senate Committee.

Sen. Holloman, a Hertford County Democrat, cooperated with Ballance in questionable financial transactions involving public funds, according to the federal government's case against Ballance. The indictment documented \$393,000 that Holloman's church and affiliated programs received through Ballance.

Holloman has not been charged with any crimes.

In March 2005 Ballance sent \$1,000 to the Warren Family Institute, an organization that also cooperated with him in the movement of public funds. According to the federal charges, Ballance secured a \$75,000 state grant for the institute and directed the organization to forward \$58,500 of it to the Hyman Foundation.

CJ asked N. C. Democratic Party spokesman Schorr Johnson why the party accepted money from Ballance. He said, "The contribution from his federal campaign account was legally made and legally reported."

The U.S. Attorney's Office signed

the plea agreement Sept. 15, and Judge Terrence Boyle approved it Nov. 9 when Ballance appeared before him in court.

When he resigned from Congress last June, Ballance had \$72,000 in his political campaign fund. When he resigned Ballance said a neuromuscular disorder had affected his ability to carry out his duties.

Many possible options

George Smaragdis, a spokesman for the Federal Election Commission, told *Carolina Journal* that if a candidate is no longer running for office he may use the unspent campaign funds for any lawful purpose.

"Charitable, membership, and political organizations are acceptable uses, but Ballance cannot make personal use of the money. He can also return the money to contributors," he said. According to his campaign reports, Ballance did not return any campaign contributions after he resigned.

CJ could not determine the status of Ballance's restitution requirement. Gloria Dupree, spokeswoman for the U.S. Attorney's Office, said efforts to

recover funds are not public record. Cooper spokeswoman Noelle Talley said, "At this point we're monitoring the process through the U.S. Attorney's Office. We still hope to have the funds that were seized by the U.S. Attorney returned to the State of North Carolina."

On Sept. 2, 2004, a federal grand jury indicted Ballance and his son, District Judge Garey Ballance. Frank Ballance was charged with diverting more than \$100,000 in state funds meant for the Hyman foundation to his son, daughter, mother, church, and law firm while he was a state senator.

Garey Ballance was charged with willful failure to file a federal income tax return for 2000. Neither has been sentenced.

The day he was indicted, Joseph Cheshire V, a lawyer for Frank Ballance, said he expects Ballance to reach a plea agreement with the federal government. But, as noted above, Ballance had already signed an agreement. As of April 15, 2005, he still had \$10,940 on hand in his campaign fund.

A sentencing hearing for Frank Ballance is expected in June. *CJ*

NC Delegation Watch

Butterfield blames 'Big Oil'

Rep. G. K. Butterfield, 1st District Democrat, in April blamed the nation's large oil companies for high gas prices.

"The average family might as well just send a weekly check to 'Big Oil,'" Butterfield said in a press release.

"A 31 percent increase over the last year sums up the Bush Administration's 'pay more' energy policy, not just for the average family, but for the average small business as well. 'Big Oil' is tipping consumers upside down and shaking hard while the administration stands idly by."

The press release accompanied what Butterfield called an "analysis of the impact of higher gasoline prices showing that the average driver in North Carolina is being hit with an increase of \$286 in the annual cost of driving since last year." He called the increase a vehicle "Bush Tax."

"Unfortunately, the current Administration continues to push an energy policy that will increase our foreign oil dependency by 85 percent over the next twenty years," Butterfield said. "Our nation's future depends upon an energy plan which lessens oil dependence. Bush's plan would just make it worse."

Price's rights for business

During debate of a House resolution called the Small Business Bill of Rights, Rep. David Price, 4th District Democrat, focused on the Bush administration's "zeroing out" of subsidies for a small-business loan program.

Price argued that the program "has generated billions of dollars in jobs and growth for our economy" and should be retained.

Price said the president and House Republican leadership eliminated federal subsidy funding for the loan program last year, "opting instead to pass costs along to small business owners with significant increases in fees."

"It is ironic or perhaps hypocritical... to be passing a Small Business Bill of Rights," Price said, "when in fact our Republican friends are gutting the very programs that support small businesses."

"The [proposal] by President Bush would provide the SBA with just over half the funds they had during the final year of the Clinton administration. That's like taking money right out of the pockets of our small business owners." CJ

N.C. Slavery Bill Attracts National Attention

Reps. Womble, Jones want corporations to search records 150 years ago for evidence

By KAREN WELSH

Contributing Editor

RALEIGH

The eyes of the nation are watching North Carolina, where state Reps. Larry Womble, D-Forsyth, and Earl Jones, D-Guilford, are sponsoring the first bill in any state that would require companies seeking government contracts to examine their records for evidence of participation in or profiting from slavery.

The bill, H1006, has already been pushed through the House Government Committee with a unanimous vote. If passed into law, it will force corporations to file affidavits of any past investments in or profits derived from slavery. The companies will be required to comply or face termination of their state contracts.

Womble, a longtime reparations activist, reportedly said the bill isn't meant to punish anyone, instead it is simply intended to unearth slavery ties and document history.

Shakedown coming, center says

But Peter Flaherty, president of the National Legal and Policy Center in Falls Church, Va. and coauthor of a study, "The Case Against Slave Reparations," said he knows better. He said the bill in North Carolina is an attempt to legitimize a broader nationwide movement to shake down corporations. The ultimate goal of the legislation, he said, is to provide a massive payday for 35 million blacks across the nation.

Flaherty said the research provided in the 35-page NLPC study is an attempt to "sound the alarm," on the potential firestorm of events to come. He said history is being revised and heroes vilified through the many attempts already made by those who are seeking a big payday for events that happened 140 years ago. "It's totally ridiculous to pay them," he said. "We are doing what we can to stop it."

The in-depth NLPC report says those responsible are high-powered lawyers; politicians; ministers, including the Revs. Al Sharpton, Jesse Jackson, Louis Farrakhan; and organizations, including the National Association for the Advancement of Colored People and the National Coalition of Blacks for Reparations in America. The NLPC study said their efforts must be taken seriously. "A notion may be absurd," the report says, "but if millions of people support it, and stand to profit from it, political momentum for it builds."

The NLPC study said that once a company finds it had connections to the slave trade, activists will be waiting in the wings to swoop in and demand an estimated \$15 trillion to \$97 trillion in potential reparations. "It seems like an

idea that's far-fetched," Flaherty said. "They are targeting big corporations because they are typically cowardly and ill-suited to fight the idea."

Flaherty said this is already happening to Bank of America, JPMorgan Chase & Co., Aetna Insurance, New York Life, RJ Reynolds, Lehman Brothers, and railroad firms. Other firms also targeted for lawsuits include AIG, Chase Manhattan Bank, and various energy companies.

The N'COBRA website reveals no qualms about collecting the money. Restitution is "payback for centuries of stolen labor, cultural degradation and dehumanizations," the website said. "Indeed, Africans held as slaves have been struggling for a restored sense of wholeness since being brought to this country as chattel."

While Womble and Jones push the movement, it may be their own political party catching fire and burning in the end, the NLPC study says. The national Democratic Party, was a "bona-fide party of slavery" that could end up paying the largest portion of the tab, according to the study. "If activists are going to defy common sense and demand reparations, then the ripest target is the Democratic Party," the study found.

"For decades the Democratic Party voted, campaigned, lobbied, barnstormed, editorialized, pontificated, and fought vigorously to preserve and expand slavery in the United States. And for many decades after abolition, the party led the fight to deny civil rights to African Americans... By the logic of reparation advocates, the Democratic Party has much to answer for."

Lawsuit against Democrats

The Rev. Wayne Perryman, author of the book, *Unfounded Loyalty: An In-depth look into the Love Affair Between Blacks and Democrats*, might have already set the precedent when he recently filed a 180-page reparations lawsuit against the Democratic Party in the U.S. District Court in Seattle.

The brief with his court appearance claimed "the Democratic Party estab-



Rep. Larry Womble



Rep. Earl Jones

lished a pattern of promoting, supporting, sponsoring and financing racial bias entertainment, education, legislation, litigations and terrorist organizations from 1792 to

1962, and continued certain practices up to 2002."

Perryman's brief says Democrats have not disclosed their true history of complete opposition to the abolitionists, the Reconstruction Act of 1867, the Emancipation Proclamation, the 13th, 14th and 15th Amendments to end slavery, make African American's citizens, and give them the right to vote, the Civil Right Acts of 1866, 1875 and 1957.

He also said the Democratic Party supported slavery, the Fugitive Slave Laws of 1793 and 1854, the Missouri Compromise and Kansas-Nebraska Act to protect slavery, the Dred Scott decision, Jim Crow laws, and Black Codes.

Perryman said there wasn't one law from 1792 to 1962 when Democrats supported or helped blacks. "Had the Democrats attempted to pass these same types

of laws in 1864 that they claim credit for in 1964, the laws in 1964 would not have been necessary," he said. "Instead, in 1866 they passed Black Codes, in 1875 they passed Jim Crow Laws, and in 1894 they passed the Repeal Act to repeal

various pieces of previously passed Civil Rights legislation that were designed to give African Americans equality."

Perryman's lawsuit is asking for an apology and compensatory damages that include a \$25,000 education fund for every African American 25 years and younger, \$25,000 for those ages 26-35, \$45,000 for blacks 46 to 55 years old, and \$50,000 for those 56 years or older.

"My case against the Democrats is about a powerful political party that promoted and practiced racism for 170 years, until it infected our entire nation and affected an entire race," Perryman testified in court. "Millions of people were brought to this country against their will, enslaved for over 200 years and denied their constitutional rights by the legislative efforts of one political party, the Democratic Party... African Americans were never compensated for their suffering." CJ

"If activists are going to defy common sense and demand reparations, then the ripest target is the Democratic Party."

Pat Michaels: Global Warming is Here to Stay, Get Over It

By CAROLINA JOURNAL STAFF

CHARLOTTE

Patrick Michaels is a climatologist and research professor of environmental sciences at the University of Virginia. He is also a senior fellow at the Cato Institute, a renowned Libertarian public policy think tank. His latest book is *Melt-down: The Predictable Distortion of Global Warming by Scientists, Politicians and the Media*. Donna Martinez, Carolina Journal associate editor, talked with Michaels during his recent visit to Raleigh.

Martinez: You know the title of your new book uses this phrase "predictable distortion of global warming." Is global warming real?

Michaels: Yes. Global warming is real. The planet is warmer than it was 100 years ago. In the last half of the 20th century quite a bit of that warming may have to do with human beings. But having said that, I'd like to say something to your listeners that will rile some of them up about global warming.

Martinez: OK.

Michaels: Get over it!

Martinez: Why should we get over it?

Michaels: Because our computer models all share a common behavior, which is this. Once human warming starts in the atmosphere it takes place at a constant rate. If you look at the human signature you can see it because cold air is warming up a lot more than warm air. Green House theory predicts that. So you know when that started, it was a few decades ago. And indeed, the rate is very constant, and the rate is very modest. So we know the rate of warming for the foreseeable future, and it works out to about 8/10 Celsius per half century.

Martinez: To me as a lay person, a nonscientist, that tells me that I really shouldn't be all that concerned about this.

Michaels: That is correct. In fact, that is the same amount that it warmed over the course of the entire 20th century. Let's think about the United States. In that period life expectancy doubled, corn yields quintupled and wealth got democratized beyond the dreams of the wildest 1900 Utopian. Global warming didn't cause all that, but it didn't stop it, and it actually had something to do with making the corn grow better.

Martinez: What is fascinating to me, that based on what you have just told us, why then do we consistently read and hear these stories in the mainstream media that a catastrophe is coming.

Michaels: That's because of the way that science is done in our country. Is-



Pat Michaels

sues in Washington compete with each other for our money. Global warming competes with AIDS, it competes with cancer, and nobody ever got money by going in front of a congressional committee and saying, "Well, my issue might be a little overblown." It has to be the end of the world. And Senator McCain is especially adept at this, by the way.

Martinez: People want their projects to go at the top of the funding list, not the bottom.

Michaels: Well of course. That's just natural human behavior. So scientists will go and say, "You know, Senator McCain, your children are going to grow up to be midgets unless we fund global warming."

And all the money comes forth, and indeed his children are not midgets, so he can claim to have saved everyone from this terrible problem. And then the media reports that XYZ famous scientist went to Washington to say that the world is going to come to an end unless we do something about global warming. And they never saw a train wreck or a disaster story they didn't like, so you have this triangle which seems unbeatable of scientists exaggerating it, politicians taking credit for having saved us from certain death and gory footage on television. How can you beat that?

Martinez: Obviously we are in North Carolina and we have a coast. And I tell you, as I kind of read and hear some of these end-of-the-world stories that relate to global warming, the big thing we hear is the sea level is rising, and basically the western and eastern coast of this country are going to go away. We're going to be under water.

Michaels: Let's talk about that. The assumption that rising sea level will create massive death and destruction — it doesn't rise all at once you know? It rises gradually. Because we know the

rate of warming for the future, by the way, it is going to be quite modest, you'll get about 8 inches of sea level rise in the next century. But to say that people will just sit there and slowly expose themselves to death by drowning is known as the Stupid People Syndrome.

Martinez: [LAUGHS] OK.

Michaels: Does the Stupid People Syndrome really operate? Let's think about North Carolina's Outer Banks. There were hardly any homes there in the 1950s, and then people came down and built these little things called flattops that are up against the dunes in Kitty Hawk and Southern Shores. They thought the wind was going to wash them — or blow them away in a hurricane.

That turned out not to be the problem at all. The little homes were built underneath the dune line, they were crawling with mosquitoes. Instead they found that if they built their homes up on stilts that they could withstand what was really knocking things out, which was the storm surge from hurricanes. And so now that little flattop rents for about maybe \$500 a week during the high season in late summer, and that building that is up on stilts that can see both the ocean on one side and the sound on the other, I saw one at \$15,000 a week. That is called adaptation to a changing environment and progress. It happens. People aren't that stupid!

Martinez: We're not in danger of having all this coast line property just being inundated and washed away?

Michaels: No. And the wonder about the United States is in our culture we take all the money we made in our life and throw it in a sand dune on a hurricane-prone beach.

And when the hurricane comes and washes away the home, the people of the United States build it back up for us.

Martinez: That's right.

Michaels: Is that a great country or what?

Martinez: And we are well aware of that here in North Carolina — the whole beach nourishment program with the federal dollars/state dollars is pretty incredible.

Michaels: Can we talk about death?

Martinez: Sure. Yeah.

Michaels: My greener friends...

Martinez: You have green friends?

Michaels: I don't know. I just said they are greener. My greener friends have told me that they could not get what they call traction on this issue unless they threatened people with death, meaning that as our cities get hotter and hotter and hotter, again the stupid people are just going to sit there and slowly fry and die.

Well my colleague Bob Davis and I tested that hypothesis for cities in North Carolina. The cities are warming up. U.S. temperature hasn't changed very much at all, by the way. And in this region there is no warming at all — there is no net warming in North Carolina. But if you take a look at our cities, they warm up because of the urban heat island effect.

Martinez: Buildings, etc.

Michaels: The bricks and the buildings and the pavement retain heat and then, in Washington it is especially notable because of the wasted heat from all the money changing hands and all the bodies rubbing together up there. It's really quite an event. But our cities are slowly warming up. So that allowed Robert Davis and I to test whether indeed more and more people were dying from heat-related deaths. So we got the CDC data and we looked and we found between the 1960s, '70s, '80s and '90s, yeah, a lot of people died from heat related causes in the '60s. By the time we get to the 1990s, statistically speaking, we have engineered heat-related death out of the population. Air-conditioning, medical technology, awareness, etc. That should not surprise you that people don't want to die.

When we were doing this research I told Bob, "Bob, this is stupid. This will never get published." A couple of months ago he comes into my office and says, "Michaels! We just won the paper of the year award from the

Association of American Geographers for climate science." And so somebody asked me, "Well what was so striking that you found in your paper?" "People don't want to die."

Martinez: Bingo!

Michaels: That's striking? OK, that tells you a profession — a profession that is surprised by a paper that says that people don't want to die and they adapt to a changing environment is a profession that has clearly got a lot of skewed views on their issues. And that's the way global warming works — the predictable distortion of global warming by scientist, politicians, and the media buy it!

State School Briefs

Democrat wants charters

State Sen. Larry Shaw is joining Senate Republicans to push for an increase in the number of charter schools allowed in North Carolina.

Shaw, a Fayetteville Democrat, said he decided to cosponsor the bill because he thinks charter schools have been "a successful experiment" since they were introduced in the state nine years ago, the *Fayetteville Observer* reported.

Shaw said charter schools are "often stigmatized as being a Republican issue." But he doesn't see it that way. Charters receive the same per-pupil expenditure from the state as public schools, as well as private donations, but they receive no money for buildings or facilities.

Shaw's bill would allow 10 additional charter schools to become certified in the state each year, making North Carolina eligible for more than \$6 million annually in federal grants. The state caps the number of charter schools in the state at 100. "These are public schools," Shaw said. "What are we waiting for?"

Academy turns teens around

Durham twins Jarrod and Jeremy Watson have come a long way in a few short months.

In the fall, the 17-year-olds said, they were staying out late and skipping classes at Riverside High School. Jarrod had repeated the seventh and ninth grades, and Jeremy was going through freshman-year courses for the third time.

The Watsons now are about a month away from receiving their General Equivalency Diplomas, *The Herald-Sun* of Durham reported. Both credit North Carolina's Tarheel Challenge Academy, a military-style residency program in Sampson County sponsored by the National Guard that gained national recognition recently for an innovative program that helps wayward teens manage the stresses of life.

After they graduate in June, the Watsons and 90 other cadets will have spent about five months at the academy.

While there, they honed reading and math skills, exercised their way into better physical condition and logged countless community-service hours. But their most practical lessons likely came out of life-coping skills class.

The course teaches cadets at TCA and 28 other challenge academies around the country how to traverse inevitable ups and downs, from conflict resolution to money management, group dynamics, and the dangers of substance abuse. *CJ*

The Pursuit of Happiness, At Home

Family celebrates son's college graduation, success of homeschooling

By HAL YOUNG

Contributing Editor

RALEIGH

This May, Mac and Gray Sullivan of Goldsboro joined thousands of other parents in Raleigh to watch their eldest son, Micah, and the rest of the Class of 2005 receive their degrees from North Carolina State University. Micah, a scholarship winner who graduated with honors in business and French, is obviously an outstanding student. His family, though, is remarkable in other ways. For one thing, he has four younger siblings; for another, Micah's entire education until college — and that of his brothers and sister — was received from his mother, at home.

As she starts her youngest child's first grade this year, Gray Sullivan is looking forward to another 12 years of the sacrifice and challenge that comes with teaching at home. Yet she expresses no regret or doubt about the decision or the future. In fact, her enthusiasm is contagious, and Gray is a local authority on homeschooling. A growing body of research suggests that her commitment, and optimism, are neither rare nor misplaced.

Coming of age

Mac, Gray, and Micah are examples of the growing maturity of home education in North Carolina. Gray was a registered nurse who left her career 22 years ago to devote her time and attention to her yet-unborn child. She first encountered the idea of homeschooling when a friend shared the books of Raymond and Dorothy Moore, education researchers who became pioneer leaders in the fledgling homeschool movement of the early 1980s. Even before Micah was born, Gray found the Moores' research and arguments convincing.

"I was already concerned about what I knew to be problems in the school systems, particularly peer dependency and the lack of discipline in the classroom," she said. "How would my children learn self-control in that environment if I sent them away from their parents' influence every day?"

Even so, Gray admits to doubts and concerns about the task she had undertaken, especially at first. While she looked forward to sharing her love for science with her children, she was uncertain about the earlier tasks. After comparing her son's early progress with the neighbors' children, though, she realized that Micah wasn't falling behind or missing out on any obvious advantages of nearby schoolchildren.

"In the back of my mind I was nervous about homeschooling for high school, but I didn't realize the opportunities which would come at that time,"



The Sullivans: (from left, front) Mac, Gray, and Rebekah; (from left, back) David, Micah, Joel, and Daniel.

Gray said. "I just decided to step out in faith, take one year at a time, and recognize that you can't pre-plan it all."


Dr. Brian Ray, a professor and educational researcher in Oregon, has followed the growth of home education and the relations of parents to their children's learning for more than 20 years. He notes that while much of the research, some of it dating to the 1970s, focuses on the surface issues of the movement's demographics and the students' academic performance, there are

issues beyond head counts and test scores that appear in the academic press.

In fact, there is a steady undercurrent of data, even in the basic surveys, that suggests that homeschoolers, taken as a population, are well-pleased with the challenging task they have shouldered.

Ray's 2001 study, *Home Educated and Now Adults*, looked at more than

Continued as "Homeschooling," Page 9



Today's Study Questions:

Do We Need Standardized Testing?
Should Parents Have More Choice of Schools?
Do Good Teachers Get Paid Enough?
Does North Carolina Have a Solid Curriculum?
Are School Districts Equitably Funded?

You can look up the answers to these and other questions in North Carolina education policy by visiting NCEducationAlliance.org, the site of the North Carolina Education Alliance. Each day it brings you the latest news headlines, opinions, and research reports on one of the most critical issues facing our state and nation.

Homeschooling: Keeping Education a Family Affair

Continued From Page 8

7,000 adults, from college students to octogenarians, who had been taught at home.

Bypassing the traditional questions of testing and grade results, Ray considered the homeschool graduates' outlook on life, their subsequent aspirations and perspectives in the adult community, and asked whether the unique experience of home education had been a help or a hindrance to them.

Overwhelmingly, they reported a positive outcome to an educational process in which some students rarely set foot in a classroom before college. Nearly 90 percent said their homeschooling background had not interfered with their academic plans, even more said it was no hindrance to their career options, and 58.9 percent said they were "very happy" with life in general; less than 28 percent of the general U.S. population claims this level of satisfaction.

Perhaps most telling, 82 percent of the homeschool graduates surveyed said they would provide the same type of education for their own children.

Seemingly destroying the perennial question of socialization, these graduates are active in their communities, involved with politics, volunteer work, and cultural life, at rates far ahead of the general population. Nowhere does the data reflect shy, withdrawn, or reclusive adults.

"Certainly you can ask whether this is a representative sample," Ray said in a recent phone interview. "That is a fair, indeed a necessary, question for any social research. Yet I find it significant that in 22 years of careful study and review of other researchers' publications, there are no — absolutely zero — studies which indicate that students learning at home are suffering from negative socialization and its results. Simply none."

Community involvement

Parents such as the Sullivans are showing the same interest in their larger community that appears in their children. Mac and Gray have served with several state and local nonprofit organizations, are active in a local church, and have started and managed several businesses, large and small, over the years.

Mac was a vice president in the state homeschooling organization, North Carolinians for Home Education, in the mid-1990s, working with legislative affairs and actively involved in the controversies of the time with the University of North Carolina's Board of Governors. Discussions that led to a change in UNC's admissions policies toward homeschoolers, taking place in

the late 1990s, might have contributed to increased opportunities for these high school graduates. The Sullivan's second son, David, plans to attend UNC-Chapel Hill this fall.

Dr. Lawrence Rudner of the University of Maryland completed one of the largest demographic studies of homeschoolers to date, published in 1998. He found that home-educating parents and their students are both active outside the home environment, citing data that students average two to five outside activities such as sports leagues, youth groups, and cultural programs, on a weekly basis.

Looking for even more

Some of that interaction occurs right at home. The National Center for Educational Statistics, a research arm of the federal Department of Education, reported in 1999 and also in a 2004 follow-up, that homeschooling families tend to have significantly more children than the national average. While this is not a new discovery, the broad sample in the NCES data, covering families of all educational philosophies and not drawing particularly on a home-schooled population, gives an added dimension to the data. They noted that more than 60 percent of home-educating families have three or more children at home.

While there may be an argument that these families chose home education precisely because the large numbers preclude the cost of private schools, it does not explain the accompanying statistic that shows families continuing with home education for long periods. Ray's 1997 study of more than 1,600 homeschooling families found 89 percent of them planned to continue home education through grade 12.

Gray Sullivan says that although the size and scope of home education seemed daunting at times, she found the support and encouragement she needed from friends and faith. "I always found I had reasons to keep on with the commitment," she said, and sees now that her greatest problem starting out was simply to relax. "God gives you the insight you need into your children. My challenge was to relax, trust my 'intuition' as this child's mother, and get past self-doubt."

And her growing family, instead of adding to a burden, became a source of encouragement as they went along. "The more children you have, the longer you teach them at home, the more confidence you develop. You learn to trust God, trust your instincts." The Sullivans expect to provide the same home-based experience for their youngest daughter, start to finish, that culminated in their son's recent baccalaureate. CJ

Commentary

Forget Fads, Let's Master the Basics

Our nation has become a revolving door for fads. Educational entrepreneurs are a particularly trendy group, always on the lookout for "the next big thing." Unfortunately, educational experimentation is a high-stakes game, with children often on the losing end.

Consider "whole language," a disastrous reading program that infiltrated North Carolina schools. The state spent millions of dollars, and thousands of children struggled to read, before the General Assembly finally legislated a return to phonics. And then there was outcome-based education, another educational fad that sought to redefine education during the 1990s. This intensely debated and controversial idea shifted the emphasis from concrete, factual subject matter to hazy, ill-defined learner outcomes. With its vague, subjective agenda, OBE spawned all kinds of questions, with few ready answers.

So, what's the latest educational whim? The Center for 21st Century Skills, recently announced by Gov. Mike Easley, has all of the trappings of an educational fad. Reminiscent of "school to work" programs viewing K-12 schools as vocational preparatory laboratories, this initiative will train students to function in the 21st century workplace. The program will be funded by both public and private



Lindalyn Kakadelis

The Center for 21st Century Skills, recently announced by Gov. Mike Easley, has all of the trappings of an educational fad.

sources, with \$750,000 coming from Easley's budget over the next two years. As the first state in the nation to incorporate this curriculum, North Carolina will lead the way in teaching skills such as "critical thinking," "information and communication technology (ICT) literacy," "communication," "collaboration," and "global awareness," among others. The Center for 21st Century Skills hopes to make these competencies part of the North Carolina Standard Course of Study, with updated state assessments to follow.

This program is problematic for two reasons. First, and not surprisingly, it shifts the focus away from what students are learning to how they learn. At the State Board of Education in May, a presenter from 21st Century Skills suggested that knowing and spelling our state capitals was unimportant in today's world. In his view,

mastering basic content was much less critical than knowing how to apply this content. This makes no sense. First, how can educators possibly make concrete determinations about how students apply content? Such assessments will be biased, varied, and difficult to quantify at best. Even the organization's website fails to clearly articulate content goals, instead proffering lots of verbiage that means absolutely nothing.

Second, many students aren't mastering basic content, so they are unlikely to know how to apply it. Our resources would be much better spent answering the questions: Can students read? Can they do math? Training a child in the affective, subjective domain is

fraught with problems. Consider that a current fourth-grade standard in our state is to describe an author's mood and intent. Yet, according to 2003 results from the National Assessment of Educational Progress, only 33 percent of North Carolina fourth-graders scored at or above proficient levels for reading. How can students possibly speculate on an author's emotional state if they have difficulty reading?

Even more concerning, the National Institute of Literacy indicates that about 90 million American adults lack the basic skills they need to func-

tion in society. About half of these adults are unable to locate an intersection on a street map, or provide background on a simple form. Yes, our future workers might benefit from a better understanding

of modern media, technology, or global awareness. But if they have can't find their prospective workplace on a map, or fill out a job application once they get there, the issue becomes irrelevant.

It's no surprise that our workforce is reeling. But it's not because workers are "technologically illiterate." It's a lot more fundamental than that. Many American students can't read, and they can't do math. Grasping at the latest fad won't fix that. Training children up isn't rocket science; rather, it involves a lot of hard work, good sense, and the time-honored tradition of teaching the basics, and teaching them well. Let's get to it. CJ

School Reform Notes

The chairman of the state Board of Education called for greater integration among schools, their communities, and county services at a meeting of local officials from across the state, and the president of North Carolina's community colleges warned that clashing school schedules were creating an imminent train wreck.

About 90 county commissioners, county managers, and local school board members gathered May 11 at an Education and Economic Summit held at the headquarters of the North Carolina School Boards Association in Raleigh, the *Daily Dispatch* reported. The North Carolina Association of County Commissioners co-sponsored the event.

The morning's talks included a review of "The State of the South: 2004," a report issued by a Chapel Hill nonprofit group called Making a Difference in Communities in the South. A slide show presented by researcher Ferrel Guillory noted: "Tomorrow's workforce is increasingly Latino and African-American — populations we do not educate well."

The presentation criticized high schools for failing to engage and inspire many of their students, regardless of background, and said that many poor children attend isolated, "resource poor" schools.

Guillory's list of proposed improvements noted that income matters more than race and said that no school should have a high concentration of poor students.

Martin Lancaster, president of the North Carolina Community College System, offered a one-note guide to the challenges of the 21st century.

"There are three keys to North Carolina's economic future, in my opinion, and they are education, education, and education," he said. Lancaster alerted the group to a trend he found troubling: the decline in the number of men who pursue academic studies after high school. In every aspect but gender, he said, his system's enrollment mirrors North Carolina demographics.

Another concern of Lancaster's is the recent state law pushing back the start and finish of public school years, largely at the behest of tourism concerns. The reason is that community college and high school semesters will be out of sync starting this summer — a situation that will become problematic in early 2006, when high schools are still finishing up the fall semester but community colleges are ready to start the spring semester. "I'm telling you, it is a train wreck waiting to happen — and it will not be obvious till January," Lancaster said. *CJ*

Guilford School Board Approves Raises

Increase would bring board members to equal pay with county commissioners

By SAM A. HIEB

Contributing Editor

GREENSBORO

With all the controversy surrounding the Guilford County Board of Education over the last year, with its controversial school choice program and transportation problems, one might think a pay raise would be the last thing on board members' minds. After all, Superintendent Terry Grier requested that he not receive a pay raise following his evaluation last fall. The board granted that request.

But the board on May 10 not only gave Grier what amounts to a \$29,000 raise, but granted itself a raise in pay identical to county commissioners' salary. The pay raises were justified, board members asserted, due to the importance of their work. Some of them think it may be the most important work in the county.

Board Chairman Alan Duncan, who did not vote for the board's pay raise, called the superintendent's job "the most important in the county. He's dealing with our most precious things — our children."

Board member Dot Kearns, in support of the board pay raise, said, "The task before us is one of the most critical in the nation. I think in our society we pay for what we value."

Different people would interpret Kearns' comments different ways. But the board made its case. In fairness, anyone who had not had an increase in salary since the 1993 merger of county and city schools would feel like they deserved at least a slight increase.

In addition, Guilford is a large county with a wide variety of schools dispersed throughout. If transporting students is expensive, given the rising cost of fuel, then it would make sense that travel costs for board members has similarly risen.

"A lot of us are out there traveling 650 square miles and doing as much as we can do," said board member Kris Cooke, who along with Kearns, survived a tough and contentious re-election campaign last fall.

But board member Nancy Routh — "not one of the rich board members," as she put it — got the discussion off to an interesting start with her suggestion that travel expenses be converted into compensation.

"I'm not one of the rich board members," Routh said. "But I am concerned about compensation."

Routh recommended that expenses for travel to professional conferences be counted as compensation for board members, who then could pick up their own travel expenses, except registration for the conferences.

She cited as an example a confer-



Superintendent Terry Grier

ence she regularly attends in Asheville. Expenses are minimal, Routh said, because she stays in her mountain cabin and commutes to the conference, a revelation that drew good-natured jeers from other board members.

Kearns made the point that county commissioners not only receive a higher salary, but superior amenities. There is no office for school board members, no staff, no parking spaces.

Adding up expenses

Board member Darlene Garrett said she put 30,000 miles on her car traveling to board-related functions. While board members are compensated for mileage between work sites, according to school chief financial officer Sharon Ozment, they are not compensated for mileage between home and work sites.

And while board members can be reimbursed for travel expenses, travel is minimal, so many board members do not bother turning in expense accounts.

At any rate, Garrett pointed out the expenses that add up, including having a fax line installed and extra cell phone minutes to take calls from board and staff members, concerned parents, and reporters.

Garrett pointed out that county commissioners also have a major perk that is unavailable to school board members — health insurance.

Duncan, a lawyer for the high-powered law firm Smith Moore LLP, supported an incremental increase of \$100 per year for seven years, starting in the next election cycle.

Cooke, who pointed out that she didn't "have a cabin in the mountains," recommended a graduated increase of \$250 per year over the next two years.

Cooke also pointed out that Guilford's compensation runs behind that of other large counties such as Meck-



lenburg, Wake, and Forsyth. (Grier's \$182,329 base pay also lags behind that of Mecklenburg and Forsyth, according to the *Greensboro News & Record*. His raise will be derived from the board's purchase of half a year's retirement for every year he remains under contract.)

Not every board member was in agreement that a raise was due.

"We're talking about a 100 percent raise here," said board member Amos Quick. "The board of education needs to get more of the public trust before we do something like this. And I'm one of the poorest members on the board."

The board, with a 7-4 vote (with Duncan, Vice Chairman Anita Sharpe, Routh, and Quick voting against), increased its monthly salary from \$500 per month to \$1,225, with the chairman's salary increasing from \$600 to \$1,525.

The salary increase will ultimately have to be approved by the Guilford County Commissioners. While the recent history between county commissioners and the school board is a bit rocky, Democrats hold a 6-5 majority on the commission, so odds are the increase will be approved.

Many would agree that a salary increase to cover the cost of inflation over a 12-year period is not unreasonable. The *Greensboro News & Record*, which normally doesn't mind when the school board spends money, thought differently.

"It was unwise and unnecessary," read the paper's lead editorial.

"School board members may think they should be paid more, and they may be right. But they decided to run for the office despite the meager salary. They should accept that and turn their attention to more important funding issues. Raising their own pay won't improve education in Guilford County one bit."

Indeed, Duncan and board member Deena Hayes confessed they didn't know school board members were paid anything when they ran for office.

"I didn't know there was compensation," Hayes said. "But I also didn't know how much work this job involved." *CJ*

State has no official policy

North Carolina Educators Consider Testing for Steroid Use

By DONNA MARTINEZ

Associate Editor

RALEIGH

When former Major League Baseball star Jose Canseco alleged in his book, *Juiced*, that big-name sluggers used steroids to crush the ball and catapult their careers into the record books, Congress wasn't the only group to take his charges seriously. Canseco's allegations, combined with previous news of steroid use at the Olympic and college levels, have some North Carolina educators wondering if steroids have infiltrated high school athletics and if they should be included in random drug-testing programs already conducted by some districts.

The state has no official policy on student drug testing, leaving that decision to local education agencies, according to Kymm Ballard, consultant, P.E. & Athletics/Sports Medicine K-12 for the Department of Public Instruction. Neither does the North Carolina High School Athletic Association, the organization that governs interscholastic athletics for 354 member schools. Mark Dreibelbis, assistant executive director for NCHSAA, said his group has only anecdotal knowledge of which school districts conduct random drug tests. He's also not aware of any organization that keeps track of which ones do, and which ones don't.

For Dreibelbis, the impact of Canseco's allegations was swift. Since Canseco testified before Congress in March, districts around the state have contacted Dreibelbis for information and guidance about addressing steroid use. He has plenty to offer them. The Youth Risk Behavior Surveillance for 2003, conducted by the Centers for Disease Control and Prevention in Atlanta, revealed



that among North Carolina's 9th-through 12th-graders, 6.4 percent of males and 4 percent of females reported taking steroid pills or shots without a doctor's prescription once or more during their lifetimes. Nationally, 6.8 percent of males and 5.3 percent of females reported that behavior.

"We think those numbers are awfully high and that's why we've become very interested in this," said Dreibelbis. He's been conducting workshops and, in April, served on a drug testing and education panel for Haywood County school board members, administrators, and coaches. Officials there are mulling a drug-testing policy that would screen high school athletes and students involved in competitive extra-curricular activities.

"It's not an indication we have a problem that's worse than anyone else. It's just something that is unfortunately out there [in society]," said Steve Williams, director of student services for Haywood County Schools. Testing specifically for steroids has been discussed, along with other drugs and alcohol. If the school board decides to move forward, the program probably would resemble the one used in Forsyth County, Williams said.

Winston-Salem/Forsyth County

Schools began random drug testing more than five years ago. About half of its high school students take part in optional activities such as sports, band, and drama, which are covered by the program. The goal, according to the system's general counsel, Doug Pungner, is to test 33 percent of eligible students during the school year. Computer software randomly selects teens from the pool, which continually changes as kids move in and out of sports and clubs.

The test screens for alcohol and five drugs: marijuana, amphetamines, cocaine, barbiturates, and opiates. Results for the 2003-2004 year indicate that 97.1 percent tested negative, while 2.9 percent (34 kids) tested positive. Pungner said that among the positive tests, the "current drug of choice" is marijuana. Following Canseco's congressional appearance, Pungner and his colleagues discussed adding steroids, but the estimated additional cost of \$50 to \$60 per test was deemed prohibitive. For now, educators are considering bringing in speakers to discuss the issue with students.

That's an approach Dreibelbis welcomes, but he cautioned that communication must be candid and acknowl-

edge what today's savvy students realize: Steroids do enhance an athlete's performance. To blunt their appeal, Dreibelbis recommends speakers emphasize the disturbing short-term consequences that also materialize. Body-conscious teens, he said, need to understand the damage steroids can do at the time they're used, not just later in life. In males, for example, steroids can create fatty breast tissue, shrink testicles, and impair sexual function. In females, facial hair can grow, breasts shrink, and the voice may deepen. Severe acne and aggressive behavior can plague either sex. "These are the things that get young people's attention," Dreibelbis said.

In Ashe County, Athletic Director Marc Payne acknowledged it might be time for his school system to consider adding steroids to its testing program, yet he's hopeful the negative publicity will reduce their use. For now, Payne is focusing on curbing use of over-the-counter supplements such as protein shakes and creatine. If he finds a student is using one, Payne calls the parents and counsels against it, instead stressing hard work and weightlifting to improve performance. "There's no genie in a bottle for an athlete," he said. *CJ*

NRA AD
GOES HERE

FONTANA AD
GOES HERE

Course of the Month

Reel classroom instruction

For this installment, CM salutes all professors who make the learning easy by assigning what the University of North Carolina at Chapel Hill's English lecturer and noted racial and sexual harasser Elyse "Still Employed Because I Picked On the Right Kind of Person" Crystall dubbed "filmic texts."

The inspiration for this dedication was a March 24 Duke *Chronicle* article, "Films find new life in the classroom." The article discusses how several different classes at Duke use a certain film to teach the class. The film is Spike Lee's *Bamboozled*. So are the students, but CM is certain that the film's title is merely a coincidence.

But CM's dedication applies to more than just Duke courses and the "filmic texts" of Spike Lee.

As the *Chronicle* reported, "'Bamboozled has become a classroom standard here at Duke, where professors from a wide range of departments including African and African American Studies and cultural anthropology, frequently show it in their classes.'"

The *Chronicle* stated that "Professor Charlotte Pierce-Baker of the women's studies department took her class to go see it at the theater." Pierce-Baker told the paper, "It was a class on black language and culture in the United States, an English and linguistics class cross-listed under cultural anthropology and African and African American studies."

To prepare her class for viewing the film, the *Chronicle* reported, Pierce-Baker... showed her class a film. This one was "Marlon Riggs's *Ethnic Notions*, a groundbreaking 1986 documentary that explores visual representations of black people in relation to cultural attitudes."

Cultural anthropology professor John Jackson, the *Chronicle* wrote, "has used the film in everything from an introductory cultural anthropology class to a film class on the documentary experience."

The annual cost in tuition and fees at Duke University is \$30,720. The rental price at Blockbuster is about \$4.50. That is, one can go to the local video store and get a "Duke-level" education at 0.015 percent of the cost — plus Blockbuster no longer charges late fees.

For students who find watching films too stressful, or if their class is not properly prepared for watching a film by watching another film, the same issue of the Duke *Chronicle* offered a solution: sign up for the class "Intro to Massage Therapy" and "take turns giving classmates full body massages." CJ

Controversy Engulfs N.C. Wesleyan Course

College's only political science professor teaches the U.S. lied about Sept. 11

By JON SANDERS

Assistant Editor

RALEIGH

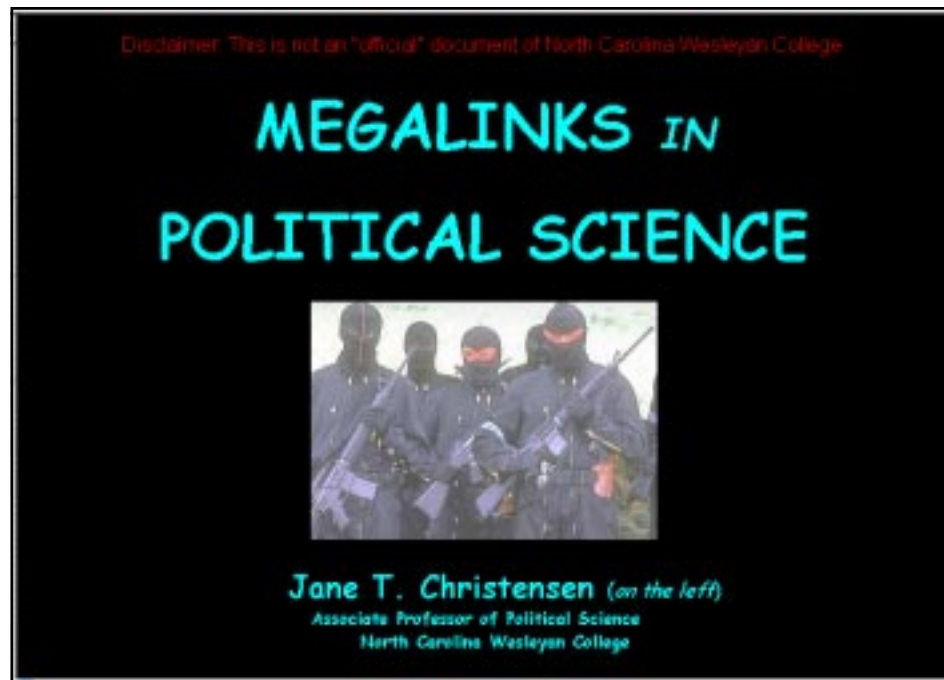
North Carolina Wesleyan College's only tenured political science professor teaches that the U.S. government perpetrated the attacks of Sept. 11. The professor, Jane Christensen, also believes the Holocaust to be the "greatest hoax of all." To some on the Rocky Mount campus, criticism of Christensen is an attack on academic freedom. Others, however, fear for the school's academic reputation.

Christensen teaches "Political Science 495: 911 The Road to Tyranny," which according to her syllabus "is 'unscientific' in that it relies much on eyewitness accounts and speculation ... somewhat extensively on alternative news media accounts and a variety of films and videos in lieu of literature."

Reports about her course first circulated appreciatively on the Internet at sites devoted to what is called the "911 Truth Movement," those who believe that the Sept. 11 terrorist attacks were part of a massive conspiracy in the U.S. government involving Israel, oil, and the quest for world domination. On March 31 one Web site listed in the syllabus as "recommended daily reading," Alex Jones' prisonplanet.com, ran an article about the course entitled "Prison Planet/Infowars Web sites Staple Of 9/11 College Course" ("Infowars" refers to another Jones web site, Infowars.com, which is listed in Christensen's syllabus as required reading and called "one of the best on the web!"). Jones' article said Christensen "advised people who became downbeat over the sometimes disheartening information, 'Don't stop talking about it' and/or 'be like Alex, just keep telling everyone.'"

From there the course and Christensen's home page was criticized on Townhall.com and *FrontPage Magazine* (www.frontpage.com) by University of North Carolina-Wilmington professor Mike Adams, and in *FrontPage* and the May 2005 *CAROLINA JOURNAL* as a "Course of the Month" article by this writer. The controversy then was reported by numerous publications, including the Rocky Mount *Telegram*, the *Charlotte Observer*, the Durham *Herald-Sun*, WRAL, WPTF, and Fox News.

Given the national attention, N.C. Wesleyan President Ian D. C. Newbould released a statement on the college's Web site affirming N.C. Wesleyan's commitment to "freedom of expression and freedom of inquiry." Newbould said Christensen "presents alternative views that many find repugnant," but "our students are intelligent and thoughtful. They can, and often do, disagree with Professor Christensen, without academic penalty."



A screen capture of Prof. Christensen's home page in early April.

Newbould went on to announce, after noting that the institution "do[es] not require our faculty or students to accept, or reject, any particular academic or political theory," that the concerns raised over Christensen's course has prompted the college to have "a team of respected [p]olitical [s]cientists to evaluate, out of the glare of publicity, the academic appropriateness and integrity of Professor Christensen's approach to teaching."

Christensen's students did suffer penalties for disagreement with the professor, according to Jessica Hause, a former student of Christensen's who works in Washington, D.C., as a corporate recruiter. Hause, who took Christensen's class on Introduction to American Politics, said Christensen "would kick students out of class who challenged her views" and "give lower grades to students who did not answer questions with liberal tones."

"I remember once or twice questioning and disagreeing with her," Hause said, and "she kicked me out for the rest of class to look things up in statistical abstract." Hause said tests were "graded very subjectively" in Christensen's class.

"I literally had to be tutored on how to write an answer with her ultra-liberal slant to pass my exam," she said.

Hause has taken her concerns to Newbould as well as her fellow NCWC alumni.

An April 27 article in The Rocky Mount *Telegram* quoted several students as supporting Christensen. Justin Cooper agreed with Newbould's implication that criticism of her course and Web site was really an attack on academic freedom. "When is it right to attack academic freedom?" he asked.

"I am a professor, not a teacher. As

professors we profess and not teach," Christensen told the *Telegram*. Later she said, "People don't want the truth out. The government's version is a lie. They were involved and are covering up what happened. So what we do is look at different theories and evidence that has been discovered."

Christensen also told the Durham *Herald-Sun* that criticism of her course was "a war by the extreme right wing motivated by the Zionists to quash academic freedom on campus." She even changed her Web site to read that it was "under constant surveillance by political extremists and neo-Nazis," and under the word "neo-Nazis" she linked to the article written by this writer.

Other members of the "911 Truth Movement," have attempted to link Christensen with Zionists. The Web site OilEmpire.us writes that Christensen might be an "agent provocateur," one of the "'false flag' operatives of the Israeli government" used to discredit the movement from within. That's because Christensen is also a Holocaust denier, who has written that "the Holocaust is the greatest hoax of all."

"I work with and recruit Social Science Ph.D.'s for a living. Her work is beyond anything I have ever seen," Hause said. "Sadly, there are some amazing professors who have walked the halls of that college, ones who have made such difference in the lives of their students. I loved my time at Wesleyan and the school is as much a friend to me as many who have walked through it."

Nevertheless, Hause said, she "cannot promote or in clear conscious support any organization that would allow her to teach such one-sided propaganda and allow such Anti-American and unsubstantiated information to be hosted on their site by their paid faculty." CJ

Johnston, New Hanover counties

Voters Decide Bond Issues

By SHANNON BLOSSER

Contributing Writer

CHAPEL HILL

Voters in two North Carolina counties voted on bond referendums May 10 that would support building initiatives for community colleges. While funding for Johnston Community College was approved, voters in New Hanover County voted against a bond package for Cape Fear Community College.

Each bond package was conducted as a separate referendum held in conjunction with a referendum in each county regarding public school buildings. Johnston County and New Hanover County voters approved bond packages for renovations to elementary, middle and high schools.

In Johnston County, voter support for the bond package for the community college exceeded that of public schools bond by 18 votes. Of the 5,687 votes cast in the community college bond referendum, 78 percent (4,418 voters) voted for the bond. Seventy-seven percent (4,400 voters) approved the public schools bond.

Voters casting ballots in Johnston County represented only 7 percent of the county's registered voters.

The May vote marks the fourth time in 10 years that voters in Johnston

County have approved a bond referendum for school construction. A 2001 bond referendum included \$5 million in new construction funding for Johnston Community College.

In New Hanover County, voters rejected a \$27 million bond referendum for Cape Fear Community College — 60 percent of the votes cast going against the bond. About the same percentage of voters, however, approved a \$123 million bond package for New Hanover County Schools.

About 10 percent of the county's registered voters participated in New Hanover County.

The vote came during controversy over Cape Fear's aims to build a multi-story building at its downtown Wilmington campus rather than move its programs to its 140-acre north campus. The college had also backed away from earlier attempts to buy several properties downtown. Property owners worried that the school's price and support of condemnation efforts would force them into bankruptcy. School officials cited contamination issues for losing interest in the properties.

The May referendum was the first one in New Hanover County for Cape Fear Community College since 1997. That year, voters approved a \$38 million bond for the college. CJ

Title IX Standards Opposed

By SHANNON BLOSSER

Contributing Writer

CHAPEL HILL

A consortium of female college administrators has begun a grass-roots effort to overturn a recent Title IX clarification that makes it easier for colleges and universities to comply with Title IX regulations regarding athletics.

The National Association of Collegiate Women's Athletics Administrators has sent an email to its members asking them to contact their congressmen and other political leaders to get the Department of Education's Office of Civil Rights decision overturned. The Women's Sports Foundation is also joining in the effort.

"Why are we asking you to do this?" wrote Donna Lopiano, executive director of the Women's Sports Foundation, on the foundation's Web site, womenssportsfoundation.org.

"On March 17, without any notice or public input, the Department of Education (DOE), issues a new guiding principle that would significantly weaken Title IX in the area of athletics and represents a significant policy change at odds with previous DOE

policy and all court cases to date."

Lopiano claims that the survey requirement would allow schools to focus differing amounts of attention on male and female athletes, because male athletes are typically recruited to a school.

Although Lopiano's Women's Sports Foundation and the National Association of Collegiate Women's Athletics Administrators are fighting against the clarification, other sports organizations are heralding the decision.

The executive director of the College Sports Council, Eric Pearson, wrote on his organization's Web site, collegesportscouncil.org, that the "clarification now gives schools a viable, common-sense alternative to the gender quota that has wreaked havoc on college athletics."

The clarification addresses the "fully and effectively" prong for compliance with Title IX. It would allow school administrators to survey the interests of their populations.

The OCR would presume compliance would exist if survey results show an insufficient level of interest to support an additional varsity team for women. CJ

Commentary

Crying Wolf on Higher Education

In a column May 1 in *The Oklahoman*, University of Oklahoma President David Boren sent up a loud cry of "Wolf!" over the prospect that Oklahoma may do what quite a few other states are doing — shifting some of the burden of paying for the state university system from the taxpayers to students and other parties who are willing to donate money. Boren finds this "alarming" because it "threatens to close the door of opportunity."

There is no wolf. Indeed, Oklahomans should look at the idea of shifting the cost of the state's university system the same way they would look at a little lamb. It's something pleasant, not something frightful.

Boren correctly points out that some states (he mentions Colorado and Virginia, and there are others) have consciously reduced the level of state appropriations for higher education. The universities have increased tuition and have been beating the bushes for added private funding as a result.

When he suggests that reducing governmental subsidies for higher education will close the door of opportunity, however, Boren ignores readily available facts that show increases in the numbers of students enrolled in state two- and four-year institutions in Colorado and Virginia. Increasing enrollment despite the reduction in government appropriations in Colorado and Virginia is not consistent with Boren's worry about the loss of opportunity for people.

What Boren overlooks is the great capacity of people and institutions to adapt to change. When students for whom a college education would be a good investment find that its cost has risen, do they (and their parents, school counselors, and others who care about their future) simply give up? Of course not. Even students from very poor families can find ways to deal with an increase in cost.

There are many, many scholarships available to students with limited means. Another option is to enter into a human-capital contract with lenders, who cover some or all of the cost of education in return for a promise to pay a percentage of earnings for a number of years after graduation. One company in this business is My Rich Uncle (www.mru.com). It has been arranging human-capital contracts since 2000.

Keep in mind that most college students are not from poor homes and can easily afford to pay somewhat more for their college education. Boren fails to ponder the ethics of taxing all citizens so that the children of wealthy families can enjoy subsidized degrees from places such as Oklahoma and Oklahoma State.

Looking at this question from the standpoint of efficiency, there is much to be said in favor of the policy of reducing state support for higher education.

Richard Vedder, a professor of economics at Ohio University who has written and spoken for OCPA, points out in his recent book *Going Broke by Degree* that American higher education suffers from very low productivity. In contrast to almost every other industry, per unit

(pupil) costs in education continue rising. It keeps costing more and taking longer to educate students to any desired level of proficiency.

Why is that? Mainly because colleges and universities don't have to pass the test of the market. Students and institutions are subsidized to a considerable extent, so the schools can get away with a lot of needless spending and frivolous course offerings. These days, parents and taxpayers spend gigantic sums in order to produce college graduates, many of whom have lower basic ability levels than did high school graduates of 50 years ago.

The advantage of putting the burden of paying for higher education on willing parties is that they can more easily say "no" and look for other options than politicians can. When people are spending their own money, they tend to weigh costs and benefits carefully. That, in turn, causes institutions to be more mindful of costs and benefits and more accountable for results.

In short, the trend that Boren laments is a trend away from a socialist model, where government taxes everyone to provide goods and services, and toward a market model, where providers of goods and services have to compete to win the favor of consumers.

It's a healthy trend. Don't worry about it. CJ



George C. Leef

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

Bats in the Belltower

All the News That Won't Be Accused of Being Fit to Print

The student newspaper at UNC-Greensboro, the *Carolinian*, has for years had a bizarre sexual orientation. *Carolina Journal* readers may recall past columns referring to *Carolinian* columns on such things as noticing the guys next to you at the urinal, visiting the "sex shop," arguing the merits of "sex toys," "attending workshops on kink and anal sex," wondering whether guys can actually lose their virginity since "there's nothing to pop," hailing campus lectures by someone styling herself the "Queen of Anal Sex," and advocating "Dominant-Submissive Relationships," which might sound like "slavery" but "work[s] just as well, if not better" than monogamous marriage.

This past academic year, the *Carolinian* was put on hiatus for several months after a blistering audit found "a lack of documented operating procedures and internal controls" in its bookkeeping. When it returned at the end of March, it featured a new sex columnist, who offered readers such wisdom as, "When I think of having an orgasm for the specific goal of reducing stress or for any other problems, I usually think of masturbation first, but it's absolutely fine to include a partner if you wish" and "In addition to sexual orgasms, my friends and I always speak of two other very important orgasms... mental orgasms and mouth orgasms (both known as MO's)."

The end of the semester brings another hiatus to the print edition of the *Carolinian*. So what did its editors choose to run as its last words to students for the semester?

How about "The Erogenous Zone: Recommended reading for a sexy summer," which is "to bring your attention to great online sex resources," including "some porn sites" — such as one that "features short clips of every kind of sex you could ever imagine. You can find straight, bisexual and lesbian videos right next to the more interest-driven ones like fetishes and BDSM. The best thing about this site, other than its great variety, is that you can check back every day and there will be something new to titillate you." These "readings" are important because "Whatever you are into sexually can be found on the Internet. I for one think that's a beautiful thing. Everyone should take advantage of the online sexual resources that are out there since there is something for everyone."

Yes, everything you could always want sexually is on the Internet. As far as the acts themselves. Real intimacy is another matter, but it's considered impolite to discuss such a thing anyway.

Speaking of intimacy, the *Carolinian* doesn't want you to think it's something you can achieve with just one person. That's why it features an op-ed called "Polyamory works." Polyamory is a euphemism for having multiple sexual partners, of course. Written by a "Jady Adewar," this op-ed makes the point that "polyamory" is "something that you are within," it isn't a choice. "Polyamory is about the need and the devotion you have to love others," Adewar writes. "A woman can have 10 children and love them all equally, but she can only love one man? Love isn't limited: it is the basis of this lifestyle."

It's cute how Adewar conflates two entirely different kinds of love, agape and eros. Still, no doubt UNCG is even now preparing a Polyamorists Student Center, to be furnished with mattresses instead of couches, out of love, of course.

So who is this Adewar person? Well, on her website she writes about her being in the "BDSM lifestyle for almost a year now" (what about "polyamory"?), about which she declares: "The beauty of this lifestyle is there are no Rights or Wrongs. Every person is different, and we all share separate beliefs and have different tastes. If I told you that a person could not live a happy, normal life without eating cheese every night, you would hardly accept such a silly opinion. If something works for one person, it doesn't mean that it is automatically 'the norm.'"

Adewar also lists her interests, among them being "Spanking," "Knife Play," "Group Sex" (polyamory?), something called "Fantasy Rape," and something called "(Fantasy) Incest." So it's no wonder the *Carolinian* published her.

Just in case you're worried, Adewar states categorically that, "I do NOT commit or approve of incest, rape, murder, or anything else violent and illegal that appear on this website. They are works of fiction. Only that, nothing more."

Glad we got that cleared up! It's not sick to fantasize about rape and incest and murder — that's "polyamory," and it works! Like a mother's love! CJ

UNC Officials Begin Search For Molly Broad's Successor

By SHANNON BLOSSER
Contributing Writer

CHAPEL HILL

A town hall meeting May 5 at the University of North Carolina Chapel Hill provided a short glimpse into the thinking of a search committee commissioned to find a new president for the UNC system and those associated with it.

During the hour meeting, several spoke about their desires for a new president — a strong leader that knew North Carolina was the most prominent of the wishes — and what they would like out of the committee. At the end of the meeting, only one thing was a guarantee — the committee would be very deliberate in the coming weeks and months in selecting the successor to President Molly Broad, who announced her retirement last month effective at the end of the 2005-06 school year.

UNC Board of Governors Chairman Brad Wilson, who is also chairing the 13-member search committee, said the committee would move deliberately slowly over the summer months. Members will speak with a consultant and other individuals and will then publish a job description and receive resumes for the position.

"We will pace ourselves throughout the summer," Wilson said. "...We don't have a deadline. We'll be there when we're there and we'll recognize it when we get there."

Until then, committee members will take under advisement

comments made by faculty, staff, and community members during the town hall meeting May 5. The meeting was the third of four scheduled by the committee across the state, with the final meeting held in Greenville on May 31.

Those who spoke said they desired a strong leader and someone who knew North Carolina. Several said that they would like to see a new president resemble former President William Friday.

For the most part, those who spoke discussed qualities for the new president that would best help the constituency that they represented. In a letter to committee members, UNC-Chapel Hill Faculty Chairwoman Judith Wegner wrote that the new leader should have an "appreciation for the social importance of higher education."

"Candidates should have a vision about the social compact between higher education and the public who supports it," Wegner wrote. "Ideally they should have had some meaningful experience



Erskine Bowles has expressed interest in the UNC president position.

with education itself and educational policy, but they should not just be education bureaucrats."

Bob Kennel, executive director of the Council of University of North Carolina Alumni Association Presidents, spoke of the need for a president who recognizes the need to get bipartisan support in the legislature.

"The [p]resident must understand the North Carolina [l]egislative [p]rocess and be involved on a bi-partisan basis," Kennel and Shelby Strother, the association's president, wrote in a letter to committee members. "This is particularly important as the state funding percentage of

the UNC budget continues to erode even as research and entrepreneurial funds increase. An understanding of the university/government/industry economic dynamic is mandatory," they wrote.

At the onset of the meeting, Wilson informed committee members that they would not consider recommendations for specific people for candidates. Chapel Hill resident Alden Dunham, however, in his remarks told committee members that he would prefer to see former Gov. Jim Hunt named the next president.

"[Hunt] is the most admired educational leader in the country," Dunham said.

He also told the committee not to consider candidates who have made it known to the public they want the job.

Former Clinton administration Chief of Staff and two-time U.S. Senate candidate Erskine Bowles has said he is interested in the position. He has received the support of some Republicans in the state Senate. CJ

They desired a strong leader and someone that knew North Carolina... in the mold of former UNC President William Friday.

A columnist's spin

Bias in Academe and Krugman's Fallacious 'Academic Question'

By GEORGE LEEF

Associate Editor

RALEIGH

Paul Krugman is a columnist who never passes up an opportunity to throw jabs at those Americans whom he dislikes, a set that comprises anyone who doesn't accept his big-government philosophy. All the jabbing would be fine if Krugman limited himself to serious arguments, but serious arguments might be too boring for his *New York Times* editors, so he often resorts to cheap shots and fallacious reasoning.

Krugman's April 5, 2005 column "An Academic Question" is a case in point. Responding to the recent study by Stanley Rothman, Robert Lichter, and Neil Nevitte — which found statistical evidence that the high percentages of professors with leftist political inclinations cannot plausibly be explained as a random occurrence, but indicates discrimination against would-be faculty members who do not hold such political beliefs — Krugman contends that a better explanation is self-selection.

Quoting Rep. Chris Shays, a Connecticut Republican, that the Republican Party has become the "party of theocracy," Krugman offers up this bit of analysis: today's Republican Party — increasingly dominated by people who believe truth should be determined by revelation, not research — doesn't respect science, or scholarship in general. It shouldn't be surprising that scholars have returned

the favor by losing respect for the Republican Party."

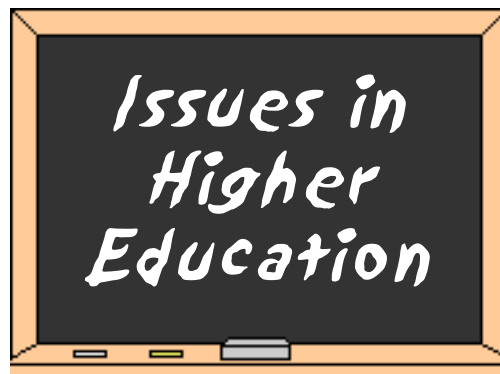
I don't have any brief for the Republican Party, but Krugman's argument is absurd.

Faulty logic

Let's begin by noting how he slides from the group of people in question, namely would-be professors who are not of a leftist political persuasion to a group he believes he can easily tar — Republicans. Leaping easily from Shays's "party of theocracy" notion to his own "disrespect for science" attack, Krugman manages to imply that all of the nonleftists who were turned away from university employment were turned away for good reason. They must

not have been interested in research, but are satisfied with revelation as a means of finding truth. Since scholarship demands research and universities want only scholars, it's easy to see why faculties have very few Republicans.

Logically, that won't do at all. Even if it were true, rather than a mere bit of political hyperbole, that Republicans generally want truth to be revealed to them rather than sought through scholarly inquiry, it does not follow that all nonleftist would-be academicians share



that trait. I happen to know some nonleftist would-be academicians who are passionately interested in rational inquiry. I also know some nonleftist professors who rely entirely upon rational inquiry. Krugman

dismisses all of them with his indictment that Republicans are theocrats. That's mighty sloppy thinking on Krugman's part, more in line with his despised "revelation" than with investigation.

How about this parallel argument? It's a well-known adage that "those who can't do, teach." Most teachers are Democrats. So it therefore follows that Democrats are just a great big bunch of incompetents. Take that, Krugman!

It's a bad argument, of course, and bad for exactly the same reason that Krugman's is bad.

Who's averse to evidence?

Moreover, it doesn't dawn on Krugman that the most evidence-averse bastions to be found in the universe of higher education are notoriously leftist departments such as women's studies. If a professor or student wanted to land in hot water there, just let her question the conventional wisdom that the famous "wage gap" is explained by anything other than discrimination against women in the labor market.

Over the last few months, we've

witnessed the slow roasting of Harvard President Larry Summers for having suggested that the relatively small percentages of women in top faculty positions might be due to the aptitudes and preferences of many women. Summers was merely offering a tentative explanation, one subject to rational investigation, but for having done so, he has been pilloried. Is the posse that's out to get Summers composed of Republican theocrats? No. It's composed of leftist autocrats who would rather hang the man for having said something they dislike than engage in debate.

Krugman puffs out his column with an attack against Republican politicians, whom he accuses of wanting to impose a "Lysenkoist solution that would have politics determine courses' content." It's amusing that a leftist like Krugman, who loves to have politics determine just about everything from our retirement planning to the amount of water per flush, is aghast at the idea that politics should play any role in directing university curricula.

But he's right — it would be a bad idea. Fortunately, hardly anyone really wants Congress or state legislatures to decide what courses will be taught, what ideas will be covered, or what books will be assigned. Krugman can rest easy that his nightmare of economists being commanded to "give the macroeconomic theories of Friedrich Hayek as much respect as those of John Maynard Keynes" won't happen.

But then, there are a lot of economists who voluntarily give Hayek's macroeconomic theories much more respect than those of Keynes. I guess that Krugman would dismiss them all with his "revelation" canard. *CJ*

The most evidence-averse bastions in higher education are notoriously leftist departments such as women's studies.

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Town and Country

Theater district proposed

A plan envisioning as many as 23 theaters throughout northeastern North Carolina could include a Currituck County "theater district" that could generate thousands of jobs, local and regional officials say.

The plan is inspired by country singer Dolly Parton's popular Tennessee entertainment complex, the *Virginian-Pilot* of Norfolk reports.

Rick Watson, president of North Carolina's Northeast Partnership, a regional economic development group, said details of the first phase of 10 to 15 theaters are expected to be announced in June or July, with plans for another four to eight to be disclosed later.

Parton's brother Randy, who has performed in Dollywood since 1987, has been the catalyst for the local plans. Currituck and Halifax counties are the leading candidates for the first theater district, which would include four theaters, hotels, restaurants, and other venues.

More theaters could be built elsewhere throughout northeastern North Carolina. The large complex being considered for Halifax or Currituck would cover about 130 acres and cost about \$129 million, financed primarily by private investment. One theater would cost about \$12 million, Watson said.

Town's first property tax

Pleasant Garden's first property tax was unveiled May 10, a move billed as a way to bring the fledgling town out of the red and stash away money for later, the *News-Record* of Greensboro reports.

Under the budget brought to the Town Council by a budget committee, property owners would be charged 5.5 cents per \$100 of assessed value. At that rate, the owner of a \$100,000 home would spend \$55 each year. The tax would be levied on top of Guilford County and fire district taxes.

Mayor Eddy Patterson said pressures, especially from a growing Greensboro to the north, meant the town needed to charge a tax and save for a later date. But a majority of the council's members said they would lobby for a lower tax rate that would merely pay the town's bills and not stockpile a surplus.

Since it was incorporated in 1997, Pleasant Garden has operated on a shoestring budget with only one full-time clerk. It built up \$2.3 million in savings when it got a share of sales-tax revenue, but that money was cut off recently by Guilford County. This year, the town will spend \$126,000 of its savings to stay afloat. *cj*

'Smart Growth' and the Ideal City

A visit to former East German cities reveals ruins and oppressive housing

By RANDAL O'TOOLE

Thoreau Institute

Bandon, Ore.

American suburbs are "a chaotic and depressing agglomeration of buildings covering enormous stretches of land." The cost of providing services to such "monotonous stretches of individual low-rise houses" is too high. As a result, "the search for a future kind of residential building leads logically to" high-density, mixed-use housing.

This sounds like typical writings of New Urbanist or smart-growth planners. In fact, these words were written nearly 40 years ago by University of Moscow planners in the book *The Ideal Communist City*. The principles in their book formed a blueprint for residential construction all across Russia and eastern Europe. With a couple of minor changes, they are also a blueprint for "smart growth" in the United States.

Mixed-use developments, says the book, allow people easy access to "public functions and services" such as day care, restaurants, parks, and laundry facilities. This, in turn, would minimize the need for private spaces, and the authors suggest that apartments for a family of four need be no larger than about 600 square feet. Before the late 1960s, such apartments were built in five- to six-story brick buildings, but the authors looked forward to new, reinforced-concrete building techniques that would allow 15- to 17-story apartment buildings.

Like the New Urbanists, the Soviet planners saw several advantages to such high-density housing. First, it would be more equitable, since everyone from factory managers to lowly janitors would live in the same buildings. While New Urbanists are less concerned about housing everyone in nearly identical apartments, they do promote the idea of mixed-income communities so that the wealthy can rub shoulders with lower-income people.

Second, the Soviets believed apartments would promote a sense of community and collective values. Single-family homes were too "autonomous," they said, while the apartment "becomes the primary element in a collective system of housing." Similarly, many New Urbanists claim that their designs will produce a greater sense of community.

Third, high-density housing allows easy access to public transportation. With their high-density apartments, as many as 12,000 people could live within 400-yard walking distances of public transit stations. For reference, that's about 70,000 people per square mile, slightly greater than the density of Manhattan.

"The economic advantages of [public transit] for getting commuters to and

from production areas are obvious," says the book, "and it is also an answer to congestion in the central city."

East German urban planning

Soviet-block countries were building such new cities even as the University of Moscow planners were writing their book. In 1970, East Germany developed a standard building plan known as the WBS 70 (WBS stands for Wohnungsbausystem, literally, "house building system"). WBS 70 was applied to nearly 650,000 apartments in East Berlin and other East German cities. "The WBS 70 was the uniform basis of the accelerated housing construction until the end of the GDR," says a paper titled "Architecture as Ideology."

According to Page 23 of this paper, the WBS 70 offered a family of four a generous 700 square feet in its three-room apartments, plus another 75 square feet of private balcony.

The WBS 70 was one of the major designs used in Halle-Neustadt, a bedroom community built between 1964 and 1990 for about 100,000 people on the outskirts of the manufacturing city of Halle. As shown on a vintage postcard, Halle-Neustadt consists of rows of apartment buildings surrounded by pleasant-looking green spaces, with a central commercial area and road corridor featuring large, articulated buses. The new city was also connected to Halle by an extensive streetcar system and a subway, and the city met the "Ideal Communist City" density of about 70,000 people per square mile.

The Stockholm planners' paper noted that almost all the apartments

had two bedrooms because government planners decreed "that the ideal family consisted of four family members and that the number of flat rooms should be one less than the number of family members." They also noted that the government discouraged car ownership by placing most of the parking on the outskirts of the city "at a relatively large distance from the residential houses."

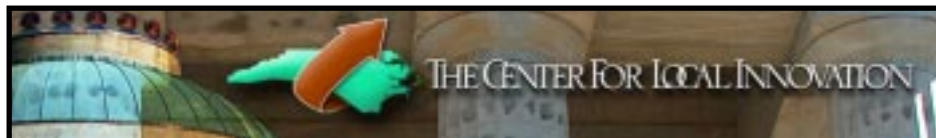
What the Swedish researchers failed to note in their 1998 presentation, but faithfully recorded in their full paper, was that Halle-Neustadt was "sustainable" only during the socialist period.

When Germany reunified, many residents moved out, and enough of those who stayed bought cars so that auto ownership "reached nearly the level of western Germany." Naturally, this created major congestion and parking problems: The Swedes feared that proposed construction of new parking garages would undermine the "planning concept of concentrating the parking places on the city's outskirts."

On April 27, I had the opportunity to join Wendell Cox on a tour of Halle-Neustadt and other formerly East German cities. The first thing we noticed is that the "parking problem" is gone, as are most of the green spaces, which have been turned into parking lots. The city center also enjoys a modern new shopping mall supported by a multi-story parking garage.

The apartment buildings themselves ranged from reconstructed to totally abandoned. According to various web sites on the city, Halle-Neustadt's

Continued as "Not so Smart," Page 17



Attention City & County Officials

And others with an interest in local government issues

Here are some handy ways to track the latest news and research on local issues. Updated daily, www.LocalInnovation.org, from the Center for Local Innovation covers such subjects as local taxes and budgets, land-use regulation, privatization, transportation, and annexation. Also, the John Locke Foundation is creating regional pages within www.JohnLocke.org. The first one, "JLF-Charlotte," is regularly updated with original articles and links. Other pages about the Triangle, the Triad, and other parts of North Carolina are coming soon — so stay tuned!



*Communism and housing***Not So 'Smart Growth'***Continued From Page 16*

population peaked at 94,000 in 1990 but since has fallen to 60,000. After reunification, the apartments were privatized and are now owned by various housing companies. These companies have successfully lobbied the federal government to fund the demolition of unneeded buildings, and more than two dozen high-rises in Halle-Neustadt are scheduled for destruction.

Cox and I found two or three basic styles of building. First was a six-story apartment structure that probably represented the pre-mass-produced buildings described with such fanfare in *The Ideal Communist City*. These buildings had no elevators, so it is not surprising that many of the top floor apartments appear unoccupied.

The second building type was 11 stories tall and probably represented the previously mentioned WBS70. Some of these were in good condition, obviously reflecting investments made by the new private landlords. But many others were clearly abandoned and ready for demolition.

After reunification, many of Halle's inefficient factories went out of business. The city has partly compensated by doubling the size of its university. Halle-Neustadt's central corridor still has frequent streetcar service to this university.

From a distance, the subway station still appears attractive. A closer look reveals many of the windows are broken, the inside is covered with graffiti, and the restaurant and other facilities are abandoned.

Where did all the people go? Many found jobs in western Germany; since reunification, east Germany has lost more than 1.25 million people. But many of those who stayed got away from the slabs by moving to suburbs of new duplexes and single-family homes. Cox and I did not have to search very far to find such suburbs, mostly added onto existing villages. But well away from any village, in the middle of farmlands, we found several big-box stores, including a home improvement center, a furniture store, and a hypermart.

There will always be a small market for high-density housing, whether in Radiant-City high rises or New-Urban mid rises. The problems arise when planners ignore the market and try to impose their ideology on people through prescriptive zoning codes, regulations, and subsidies.

A communist plot?

I have always resisted the notion that smart growth and sustainability are some kind of international plot to take away American sovereignty. Even

if it were true, saying so marks one as a kook and eliminates all credibility. But I don't think it is true; we have enough socialists and central planners in our own midst that we don't have to look for them elsewhere.

And yet when I look at the publication date of "*The Ideal Communist City*," I get a very creepy feeling. Though written in the mid-1960s, the book was first released in English by a New York socialist publisher in 1971.

The earliest mention of smart-growth concepts I can find in the planning literature came out just two years later in the book, *Compact City: A Plan for a Livable Urban Environment*. Like *The Ideal Communist City*, *Compact City* advocated scientific or "total-system planning." Like *The Ideal Communist City*, but unlike New Urbanists, *Compact City* advocated high-rise housing. Like the New Urbanists, it quoted Jane Jacobs' book, *The Life and Death of Great American Cities* in support of mixed-use and transit-oriented developments.

The similarities between the Ideal Communist City and smart growth are far more numerous than their differences. Both seek to use planning to create a sense of community and promote collective rather than individual transportation.

Beyond the superficial difference that the Soviets preferred high rises and smart growth prefers mid-rises, the main difference is that the communists tried to put everyone in identical small apartments while smart growth allows people to have as big a house or apartment as they can afford, but just tries to get them to build houses on small lots.

Though smart-growth advocates publicly claim they want to reduce congestion, most smart-growth plans admit they seek to increase congestion to encourage people to use transit. Though they publicly claim to worry about affordable housing, smart-growth plans drive up land and housing costs with the hidden agenda of encouraging people to live in multifamily housing or at least on tiny lots.

Before visiting Europe, I spent a few days in Madison, Wis. After returning, I spent a few days in Hamilton, Ontario. Though neither region is growing particularly fast, in both places I heard politicians talk about the dangers of uncontrolled growth and how the firm hand of government planning was needed to prevent chaos and sprawl. Part of their plans, of course, called for packing much more of that growth into urban infill than the market would build.

Planners call this giving people more "choices"; what they mean is forcing people to accept lifestyles that they would not choose for themselves. How different is this from the philosophy of the Ideal Communist City? CJ

Commentary**Conventional Wisdom? No Such Thing**

The laws of supply and demand are fairly simple. If you have demands, free markets respond, and if supplies are too abundant, demand drives prices down. Now, if you're in the convention/civic center business, a strange polarization occurs, when demand goes down, the supply and expansion of centers increases. Many communities in North Carolina are in the midst of just such a conundrum.

Most studies commissioned by the municipalities promise new jobs and lots of local economic benefits with an updated convention/civic center. The problem here is that none of these promises made in other areas of the nation has come true in the past 15 years.

In 1993, the Raleigh convention center held 21 conventions and hosted 10 trade shows. Rolling totals for attendance at those events was more than 70,000 (many were counted multiple times). Since that time, the numbers of shows, conventions and attendance have dwindled. Proponents, including KPMG and SAG (the consultants hired for the Raleigh feasibility study), have said that the real answer is to have a much bigger convention center with an attached hotel. The cost to taxpayers will be about \$212 million paid out of the 3 percent hotel and 1 percent prepared-food tax. Similar claims have been made in Wilmington and Charlotte. Even Elizabeth City and Asheville are talking about it. Is it worth it?

One would think that being worth it would be part of the process. But when staff and elected officials use consultants who rarely say it isn't, even simple questions like, "Is this the proper role of government?" get lost and ridiculed.

Many of the same promises given were used to sell locals on the development of the Myrtle Beach Convention Center. The city had used public backing to finance the convention center with a hotel that they thought would cover the losses. In fact, they issued \$65 million in bonds to cover the construction and startup costs in 2001. The city has defaulted on the bonds and had to refinance \$47.7 million to cover the hotel's losses. Forecasts were continually missed, losses were \$1.7 million the first year, twice as much as predicted.

And this isn't an isolated case. Projections in Atlanta, St. Louis, Boston, Omaha, San Antonio, Charleston, and elsewhere have been wrong as

well. All are experiencing attendance and monetary problems. Common sense would dictate that we ask why.

The Brookings Institution, one of the nation's oldest and most experienced think tanks, recently issued a report, written by Heywood Sanders, covering national findings about convention centers that was less than flattering.

Among those findings: The market for conventions is declining nationally and will likely not recover as attendance at the 200 largest trade-shows is still at the 1993 level; public spending on convention centers has doubled to \$2.4 billion annually increasing square footage by more than 50 percent since 1990; and due to increased competition, increased spending by cities and deep discounts for tradeshow groups, many convention centers still operate at a financial loss.

So, how do you define success when you know this will never make money and will forever be subsidized?

First he will tell you that more often than not, people tend to share a room when they travel to conventions, they don't stay for three days, but often only one or two, and because of many factors, they don't spend nearly that much money per day. There is "no instance where projections have even come close to real attendance recently," he said. The difference is that he looks at results and not projections.

Greensboro has a wonderful and successful convention center, the Koury Center, which makes money without taxpayer subsidy. Folks in Greensboro don't have to worry about whether it succeeds or fails, and only the owners have to worry about projections, not taxpayers.

Residents would be wise to review what's being promised and ask for sound, independent data to support it. In North Carolina, firms like KPMG and SAG, which make rosy projections, are long gone by the time those projections don't come to fruition. Ultimately, is this a boondoggle that you as a taxpayer are willing to support forever? CJ

**Chad Adams**

Adams is vice chairman of the Lee County Board of Commissioners and director of the Center for Local Innovation. Visit www.LocalInnovation.org for more.

Local Innovation Bulletin Board

Going One Way Slowly

Urban planners in Denver, as well as other major cities, are implementing a controversial measure designed to slow traffic and reduce accidents: converting one-way streets into two-way streets.

The plan runs counter to the consensus of traffic engineers and experience, says transportation engineer Michael Cunneen and economist Randal O'Toole of the Center for the American Dream. In fact, two-way streets increase traffic congestion, increase accidents and make pedestrians less safe.

In Denver, two one-way streets have already been converted: Grant and Logan, which used to carry about 7,000 cars per day now carry 600 and 11,600 cars, respectively, per day, angering nearby residents.

In Lubbock, Texas several one-way streets were converted to two-way in 1996. As a result, traffic on those streets dropped by 12 percent, but accidents increased by 25 percent. In 1993, Indianapolis converted a major one-way thoroughfare into a two-way street; accidents increased by 33 percent. Pedestrians have to worry about crossing lanes of traffic coming in opposite directions, adding to their risk as well.

On the other hand, converting two-way streets to one-way streets reduces congestion and decreases accidents. One study indicates that traffic speeds increase on one-way streets by 37 percent, but with a 38 percent decrease in accidents.

In several Oregon cities, converting two-way streets to one-way streets led to 23 percent more traffic but 10 percent fewer accidents, meaning the accident rate per million vehicle miles declined by 27 percent.

Despite overwhelming evidence against converting one-way streets, city officials in Charlotte, Raleigh, Austin, Tampa, Seattle, and other cities are considering such plans, which can cost millions of dollars to implement.

Contestability of services

Municipalities provide a range of expensive services, often without knowing whether they are receiving full value for the public money they spend. Yet, at a time when municipal governments are struggling to make ends meet and to provide acceptable levels of services, the status quo in services provision is no longer an option. Municipal governments need to ascertain whether the cost of a service is justified, and seek to provide

that service at the most efficient price, says the Atlantic Institute for Market Studies.

One way of providing services more efficiently and at lower cost would be to make them "contestable" — that is, to open up the bidding on services contracts to all interested providers, whether public, private, or a combination of the two (unlike "privatization," which transfers the ownership of public assets into private hands).

Contestability would allow municipalities to compare the costs of producing services in-house and of producing them in other ways. Armed with such information, municipal governments would perform better and provide better value for taxpayers as consumers.

Firefighter deaths

From 1979 to 2002, there was a 52 percent decrease in annual firefighter fatalities at structure fires. One might infer that the decline was a result of efficacious Occupational Safety and Health Administration regulations that protected firefighters from occupational dangers. But during that same time, the number of structure fires also decreased by 50 percent.

Today, firefighters are just as likely to die at a structure fire as before OSHA issued its regulations for fire brigades. What is worse, the regulations may be leading to the decline of volunteer fire departments and may be a contributing factor in firefighter fatalities, writes Marshall Stocker of the Cayuga Heights Fire Department in *Regulation*.

Self-contained breathing devices and fire-retardant clothing adds at least 60 pounds of weight to firefighters, which contribute to physical stress and exhaustion, which often precedes cardiac arrest.

Firefighters regularly train to work under zero-visibility conditions by using their breathing devices, but fighting fire under those conditions exposes them to disorientation created by denser smoke. Mandated protective gear also contributes to firefighters being more aggressive. It also inhibits firefighters from using their ears as thermometers to sense when it is time to leave the building.

OSHA regulations have put greater time demands on volunteer firefighters, who make up 73 percent of all firefighters, because of more rigorous training requirements and fund-raising (in order to buy required equipment), Stocker said. CJ

From Cherokee to Currituck

Greensboro, Guilford County Contend With Shortage of Land

Correction: A story in "From Cherokee to Currituck" in April's CJ should have said red-light cameras were in Greensboro and High Point.

By MICHAEL LOWREY

Associate Editor

RALEIGH

Greensboro and Guilford County officials are examining how to address a significant problem in attracting new businesses to their community: a lack of suitable land for large new industrial sites.

"We have a critical shortage" of land for industry, Dan Lynch, senior vice president for the Greensboro Economic Development Partnership, said to *The News & Record* of Greensboro.

The issue has two components. Businesses are increasingly considering only sites with utilities and road access already available upon which they can build almost immediately.

Continued demand for new houses

means that many of the available large parcels of land are being subdivided into smaller lots for homes. Creating new residential areas is quicker and comes at a lower risk to developers than hoping for new industrial plants.

"I remember in November being told that Dell basically wanted to break ground in January, and I was there shaking my head saying, 'How are you going to do that?'" developer Roy Carroll said to the newspaper.

"I was ready for the old textile philosophy of 'We're going to build a plant in two years.'"

City and county officials would like to work with Carroll to have land available when they extend water lines in the eastern part of the county.

Public nuisance defined

Local officials often use the state law forbidding public nuisances to combat drug houses and sexually oriented businesses. A recent N.C. Court of Appeals ruling examines the minimum requirements in such cases.

In March 2003, Salisbury brought a nuisance abatement action against the owners of a rental duplex. The city claimed that the building constituted a public nuisance because of frequent drug trafficking and breaches of the peace. Police visited the duplex 24 times between November 1998 and January 2004.

A Superior Court judge did not agree and denied the city's request. The

Court of Appeals upheld the ruling.

North Carolina's public-nuisance law is codified as N.C. Gen. Stat. § 19-1. Under the law, "... in order to establish a nuisance, plaintiff must show that defendant leased or used his property for the purpose of the illegal possession and sale of drugs," Judge Rick Elmore said for the Court of Appeals (emphasis in decision).

The court held that three confirmed incidents involving drugs between 2000 and 2004 were not enough to constitute a nuisance.

The appeals court was also not persuaded by the city's alternative argument that the duplex constituted a nuisance because of numerous breaches of the peace there. The court noted that of

the 24 police trips only three cases meet the legal definition of a breach of the peace. The court held that these incidents spread over a two-and-a-half year period were not enough for the duplex to be declared a public nuisance.

The case is State ex rel. City of Salisbury v. Campbell. The Court of Appeals ruling is available online at www.aoc.state.nc.us/www/public/coa/opinions/2005/040904-1.htm

County, city study horse center

Gaston County and Cherryville have formed a committee to review the feasibility of a proposed equestrian center, *The Charlotte Observer* reports. The move comes after the federal government decided not to contribute to the project.

In 2003, the Gaston County Commission voted to establish the Piedmont Equestrian Park and Conference Center Authority to oversee a planned equestrian center. The towns of Waco and Cherryville were also involved in the project. It was projected to cost \$11 million, with \$8 million projected to come from a federal grant. The center ultimately didn't qualify for the money.

Ordinarily that might be the end of the matter. The legislation creating the authority, however, requires that a third of Gaston County's hotel occupancy tax revenues, currently about \$120,000 a year, go toward the project until it ends. The county does not have a seat on the authority's board and can't unilaterally declare the project over.

The committee has promised to issue at least an interim report by mid-June so the county can budget for the upcoming fiscal year. CJ

Court of Appeals Decides Eminent Domain Cases

By MICHAEL LOWREY

Associate Editor

RALEIGH

In early May, North Carolina's second highest court issued rulings in two cases involving government attempts to acquire property via eminent domain. The Court of Appeals rulings highlight both the power of eminent domain and the nuisances of state law regarding both compensation and interlocal agreements when it is used.

The first case involved a dispute between two counties and two towns over the construction of a new water supply system. In September 2001, Dominion Energy expressed interest in building a natural-gas-fired electrical plant in Person County. Water supply in the county is handled by the town of Roxboro. While existing water sources are adequate to meet current needs, they could not have handled the proposed power plant.

Person County and Roxboro soon identified the Dan River in neighboring Caswell County as the most likely source for additional water. Though Dominion opted not to build the power plant, Roxboro and Person County decided to continue with the Dan River project as they had already spent \$500,000 on it. In March 2003, they entered into an interlocal agreement with the Caswell County town of Yanceyville to extract water from the Dan River for the benefit of the three localities.

Caswell County had, however, consistently opposed the project. When Yanceyville began condemnation proceedings against a landowner pursuant to the agreement, Caswell County sued to determine the legality of the interlocal agreement and whether the town had the authority to use eminent domain to acquire the property.

Caswell County's argument centered largely on N.C. Gen. Stat. § 153A-15(b): "Notwithstanding the provisions of [N.C. Gen. Stat. § 160A-240.1], or any other general law or local act conferring the power to acquire real property, before any... city... which is located wholly or primarily outside another county acquires any real property located in the other county by exchange, purchase or lease, it must have the approval of the county board of commissioners of the county where the land is located."

Specifically, it argued that the eminent-domain action would effectively give Roxboro and Person County, the major players in the deal, control over land in Caswell County without Caswell County's consent.

The Court of Appeals rejected the argument. "Given the numerous and material benefits afforded Yanceyville under the terms of the agreement, we must disagree," wrote Judge Ann Marie Calabria for the court. She noted that the town would acquire a second water source and pumping station in the arrangement as well as the capacity for future growth. State law also gives localities broad authority to enter into interlocal agreements.

The case is *Caswell Cty. v. Town of Yanceyville*. The Court of Appeals' decision can be found on the Internet at www.aoc.state.nc.us/www/public/coa/opinions/2005/040472-1.htm.

Determining property values

A different panel of the Court of Appeals also issued a ruling in a different eminent-domain case May 3. The case involved the proper way to determine compensation when only part of a property is taken by eminent domain.

In 1999, the N.C. Department of

Transportation made improvements at the intersection of Garrett and Chapel Hill roads in Durham County. The roadwork required that taking part but not all of a gas-station property owned by M. M. Fowler, Inc. Access to the service station was reduced from two to one entrances by the widening. The state offered \$166,850, which the company thought was inadequate.

At trial, M. M. Fowler sought to introduce evidence that the taking of land had reduced its profits by \$90,000. The NCDOT objected, claiming that state law precluded its consideration. The evidence was admitted and the jury awarded M. M. Fowler \$450,000.

Upon appeal, the NCDOT again argued that the evidence about loss of profits should not have been admitted at trial.

The Court of Appeals, however, sided with M. M. Fowler. The court noted that the general rule in determining damages in highway condemnation cases is the "difference between the fair market value of the entire tract immediately prior to said taking and the fair market value of the remainder immediately after said taking."

Loss of profits should ordinarily not be considered.

The N.C. Supreme Court, however, created an exception in a 1962 case called *Kirkman v. Highway Comm'n*. In it, the high court held that admitting evidence of lost profits is appropriate "when the taking renders the remaining land unfit or less valuable for any use to which it is adapted, that fact is a proper item to be considered in determining whether the taking has diminished the value of the land itself." The case involved a motel and restaurant that lost business because highway access was eliminated.

"We conclude that *Kirkman* creates a limited exception in cases where access to property that is being taken through eminent domain is restricted or denied," wrote Judge Sanford Steelman for the Court of Appeals in upholding the award to M. M. Fowler.

"In such instances, evidence of lost profits is admissible to show diminution in the value of the remaining property where the taking renders the property less fit for any use to which it has been adapted, as well as to show the fair market value of the property after the taking."

The case is *Department of Transp. v. M.M. Fowler, Inc.*, and is available online at www.aoc.state.nc.us/www/public/coa/opinions/2005/040073-1.htm. CJ



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• *South Park Conservatives: The Revolt against Liberal Media Bias* is a behind-the-scenes look at how conservatives who “don’t consider themselves conservative” are overthrowing the liberal media and political correctness. From the bloggers who demolished Dan Rather, to the Swift Boat veterans who sank John Kerry, to the gleeful antipolitical correctness of such comedic send-ups as “South Park” and “Team America,” the American media landscape has suffered an earthquake, writes author Brian C. Anderson. Conservatives who have fretted about liberal media bias and losing the culture war should take heart, he says, because a new generation of “South Park Conservatives” is changing everything. Learn more at www.regnery.com.

• Fox News military analyst Col. David Hunt, a 29-year U.S. Army veteran, has helped take out an active terrorist camp, trained the FBI and Special Forces in counterterrorism tactics, and served as security adviser to six different Olympic Games. But in *They Just Don’t Get It: How Washington Is Still Compromising Your Safety — and What You Can Do About It*, he’s angry because even after the terrorist attacks on Americans around the world, politicians and the bureaucrats in military and intelligence still aren’t getting the job done. Hunt writes that America still is not equipped to win the War on Terror, and the terrorist threat is far worse than feared, as shown by the 50 pages of documents in his book, including a manual taken from the terrorists themselves. From Crown Forum, at www.randomhouse.com/crown.

• The political environmentalism of the past 35 years was born out of necessity, write Brent Haglund and Thomas Still in *Hands-On Environmentalism*. Businesses, they say, did not protect the air, water, and land. Haglund and Still believe that the regulatory actions of the 1960s and 1970s were necessary to help cure careless society. But they also argue that over the years, the cure became a disease itself. What began as a check on environmental abuses grew into a control system that created a gulf between people and the world their daily lives are part of. Writing for those who wonder how to get past the environmental nanny state they describe the concept of “civic environmentalism,” which is based on values such as local control, personal responsibility, government accountability, and economic opportunity. More at www.encounterbooks.com. CJ

Book review

Going Broke by Degree: Unproductive Colleges

• Richard Vedder: *Going Broke by Degree: Why College Costs Too Much*; American Enterprise Institute; 2004; 232 pp; \$25

By GEORGE C. LEEF
Guest Contributor

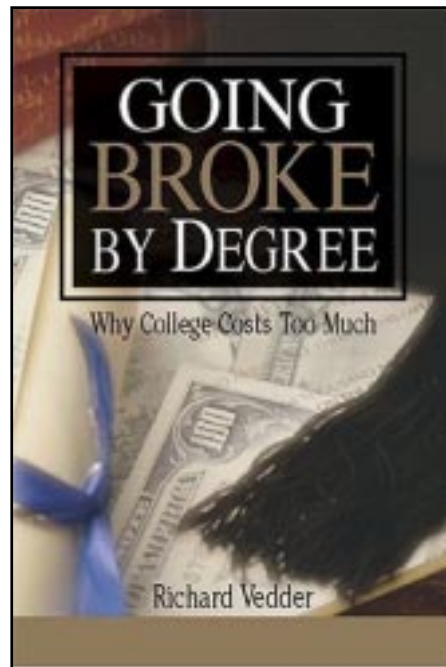
It is incontestably true — the cost of going to college has been steadily climbing for decades. Tuition, mandatory student fees (which compel students to pay for a lot of nonacademic folderol), books, and campus expenses have been escalating much faster than the rate of inflation. It’s also true that the rising cost hasn’t prevented many students from enrolling. The percentage of students who enroll in some postsecondary institution has risen right along with the escalating cost. Increasing governmental financial support, more generous scholarships, and the fact that there is more private wealth than ever to help pay for higher education have enabled colleges and universities to sell more of their product despite its escalating price tag.

Turning a blind eye to the record-high rate of college enrollment, many politicians have declaimed a “crisis” in college affordability and say that government needs to do more. Federal politicians demand an increase in Pell Grants, and here in North Carolina, the UNC Board of Governors opposes any increase in tuition this year because students “need a breather.”

Universities not very productive

Instead of simply bemoaning the rising cost of college, Ohio University economics professor Richard Vedder prefers to ask why it has risen so much. His recent book *Going Broke by Degree* takes a sharp-eyed and highly critical look at higher education in America and concludes that its productivity is very low. Professors don’t teach much. Personnel costs continue increasing as more faculty and administrators are hired. Schools build apace, such as new student unions with every conceivable amenity, and they engage in a host of activities having nothing to do with educating students for life and work. Sooner or later, Vedder believes, some college balloons will have to deflate.

The book throws down the gauntlet to higher-education spokesmen who would have us believe that pushing students through college is a great “investment.” Gov. Jim Hunt used to call the UNC system “the engine of our economy” and Michigan’s Gov. Jennifer Granholm opines that higher education is like “jet fuel for the economy.” *Going Broke by Degree* reminds readers, however, that the law of diminishing returns applies to higher education just



as it applies to other human endeavors. In fact, Vedder’s research leads him to believe that there is a negative relationship between state higher-education spending and state economic growth. The more money a state pours into its higher-education system, the slower its economy tends to grow.

Now, that’s a highly contrarian position to take, and Vedder himself was surprised at the conclusion his research pointed to. After double-checking his analysis, however, he was certain that he was right. But what could explain such a result? The basic economic concept of opportunity cost, that’s what.

To increase higher-education appropriations, a state must either spend less on other governmental functions or raise taxes. Either way, Vedder says, resources are drawn away from more productive uses when states spend heavily on higher education. Or to put it in terms Granholm might understand, a jet needs jet fuel, but if you overload the plane with it, the plane flies less well.

All right, skeptics may say, what about the fact that, on average, people with college degrees have higher earnings than do people without them? Vedder replies that college degrees don’t necessarily cause people to become more productive (although they may), and that many employers now use the BA as a screening device. Employers presume that students who have gone to college will probably be somewhat more trainable and reliable than those who haven’t; since there is a huge pool of college graduates these days, employers often feel that they can screen out those with only a high school diploma and still have plenty of applicants to fill their personnel needs.

This situation leads to what Professor David Labaree calls, in his book *How to Succeed in School Without Really Learning*, credential inflation. We now find

that a college degree is said to be a “requirement” for such entry-level jobs as bank teller and purchasing agent. As more and more jobs are foreclosed to those without college degrees, it’s inevitable that the average earnings difference between the groups will widen, but the reason is credential inflation, not that having gone to college makes an individual more productive.

How to get more from colleges

Going Broke by Degree advances a number of sensible ideas for raising the productivity of colleges and universities without spending more money. Here are a few:

• **Tenure.** Vedder doesn’t want to abolish tenure, but he recognizes that it can lower productivity by encouraging professorial laziness and, more importantly, making it hard for schools to redirect resources as demand for education increases in some fields and decreases in others. He suggests making tenure an option for faculty members. It should be a priced benefit for faculty members. If they want it, they will have to accept less in cash or other benefits.

• **Vouchers.** Competition would be stimulated if, instead of providing funds directly to state colleges and universities, government gave vouchers to students and allowing them to use them at any school in the system.

• **Affirmative action.** Vedder would eliminate race-based admission programs, which mismatch students and schools, leading to retention problems.

• **Contracting out.** Colleges do a lot of things that aren’t necessary to their educational mission, such as housing, food service, golf courses, and conference centers. Such activities should be contracted out or entirely privatized.

Even if the traditional, nonprofit higher-education sector begins to increase its productivity, Vedder sees market developments that are going to alter the face of postsecondary education in the United States. One big development is the emergence of a for-profit sector that provides functional education without all the frills of the typical campus. While for-profits still cost more than most state-subsidized colleges and universities, the force of competition is bringing down the former’s costs and the gap is narrowing. The allocation of resources between the for-profits and non-profits is striking. For-profit University of Phoenix spends 66 cents of each dollar of revenue on instructional costs and services, whereas state universities usually spend about 34 cents of each dollar on instruction.

Another key development Vedder sees is the growth of professional certification programs, such as one now finds in the computer software industry. CJ

Book Review

Exporting America: Dobbs Exposes His Ignorance of Economics

• Lou Dobbs: *Exporting America*; Warner Business Books; 2004; 196 pp.; \$19.95.

By **DONALD J. BOUDREAUX**

Guest Contributor

WASHINGTON

It looks like a book. It's priced like a book. It's sold in bookstores and carried by libraries. But it's not really a book. *Exporting America* is merely an extended, furious yelp by CNN's Lou Dobbs. It has no index and no bibliography. Nor does it have a single citation to any of the alleged facts that he throws at his readers — a fact that would be worse if he threw many facts at his readers. Truth is, this "book" is short on facts, and long on invective.

The 'greedy Corporate America'

Dobbs spits his vituperation at two groups. The first is "Corporate America" (the capitalization is his) — rich, greedy, heartless bigwigs who fire workers in America and replace them with low-paid workers in the Third World. This strategy is driven by the bigwigs' need to maximize short-run profits. The second group is free-trade advocates — ideological, heartless eggheads and politicians whose "blind faith" in free trade and the market provides intellectual cover for the greedy bigwigs to continue to "export jobs."

Dobbs loathes this alliance, for it means that our "blind" adherence to free trade might go on long enough to rid America of her middle class. Sounding very much like the leftist Thomas Frank who argues that the many middle-class Americans who vote for cutting taxes, reducing regulation, and increasing their freedom to trade have been duped, Dobbs just knows that "outsourcing" of American jobs is destructive, dangerous, and wicked. He is beside himself with rage at outsourcing, and astonished that more Americans don't share his rage.

He writes like a caged madman who, try as he might, cannot rattle his bars loudly enough to convince people that the demons he sees are real. He accuses: "We should be worrying about the prospect of more jobs and more businesses being wiped out by cheap foreign labor, and even more worried about those who blindly advocate free trade for its own sake — well, actually for the sake of powerful U.S. multinational corporations."

He uncovers ominous developments: "And corporate logos in many cases have more powerful symbolic

importance than national flags."

He puts matters in perspective: "I don't think helping consumers save a few cents on trinkets and T-shirts is worth the loss of American jobs."

But mostly he fulminates: "But the simple truth is that our multinationals and our elected officials who support them without reservation are callously and shamelessly selling out the American worker."

Where's the beef?

No coherent theory underlies Dobbs's concerns and accusations. He's as naive on matters of trade as one can possibly be. In Dobbs's view, when Americans buy a foreign product or services, other Americans are harmed because expenditures abroad mean less demand for American output and, hence, less demand for American workers. The result is unemployment and lower wages. This downward spiral in American prosperity won't stop until most American workers are paid wages equal to the paltry wages paid in third-world countries — unless, of course, Congress steps in.

Dobbs never stops to ask "Why are foreigners so eager to earn U.S. dollars by importing goods and services to Americans?" Nor does he ask why private investment in the United States has been so much higher over the past few centuries — continuing to this very day — than it is in Third World countries.

In a marvelous if unintended testament to the success of free-trade ideas, Dobbs nevertheless rejects the label "protectionist." (This rejection is dishonest, for a protectionist is exactly what he is.) He describes himself as a "balanced trader."

By "balanced trade," Dobbs means trading relationships in which the United States runs neither a trade surplus nor a trade deficit — runs no such surplus or deficit with the rest of the world or even with any individual country. Even I, who wasn't expecting much real analysis from Dobbs, was surprised that he is completely unaware of what "trade deficit" means and that there's an inherent balance in trade accounts. Any trade deficit (more precisely, any current-account deficit) is exactly balanced by a capital-account surplus. That is, if the United States runs a \$500 billion current-account deficit this year, it runs



The U.S. Presidential Expert Council convenes.

U.S. Department of Commerce photo

that Adam Smith would agree with him. Such agreement would be unlikely, given that Smith declared the following in *The Wealth of Nations*: "Nothing, however, can be more absurd than this whole doctrine of the balance of trade..."

Friends of free trade will find no arguments or data in this book to challenge their presumptions or theories. Opponents of free trade will find no arguments or data to support their presumptions or theories. All that anyone will find is ranting and raving, as uninformed as it is self-righteous and as hysterical as it is mistaken. *cj*

a \$500 billion capital-account surplus — which means that foreigners are investing at least this amount in American assets.

An unbalanced Dobbs on trade

Dobbs's obsession with what he mistakenly identifies as "balanced trade" is especially annoying because he declares

arguments or data to support their presumptions or theories. All that anyone will find is ranting and raving, as uninformed as it is self-righteous and as hysterical as it is mistaken. *cj*

Donald J. Boudreaux is chairman of the Economics Department at George Mason University.

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Short Takes on Culture

Dunder-headed 'The Office'

• "The Office"
9:30 p.m. Tuesdays, NBC

By STEVE BLOCK
Editorial Intern

Office politics is one of the great comedic themes in American sitcoms and movies. In fact, it has been so prevalent and works its way into almost every show that one has to wonder whether there is anything left to say about it.

Somehow NBC didn't get the memo that people have had their fill of workplace humor, since the network premiered the sitcom "The Office" earlier this year.

The show, based on a British sitcom of the same name, centers on Michael Scott (Steve Carrell), regional manager of Dunder-Mifflin Paper Supply Company, and the office that he manages.

The company is looking to downsize and his branch is in the crosshairs. So as rumors fly about who in the office is going to get the ax, the show, using reality-show cutaways to "little interviews," takes viewers through what are supposed to be funny situations—but the show falls flat.

The problem is that there are almost no fresh characters, and it seems that we laughed at the same situations a long time ago.

Surprising 'Upside'

• *The Upside of Anger*
New Line Cinema
Directed by Mike Binder
118 min, Rated R

By ANDREW CLINE
Contributing Editor

MANCHESTER, N.H.

In the midst of the dreadful post-Easter, pre-Memorial Day movie slump, passing up the low-budget teen-market schlock for the subtle and surprising *The Upside of Anger* is a good call.

It is a gently told story of Terry Wolfmeyer (Joan Allen), an aging mother of four daughters who attempts to fight off emotional devastation after her husband fails to come home just as his Swedish secretary suddenly quits and returns to Europe.

Her weapon of choice: one giant vodka and hatred cocktail.

The obvious result of this behavior would eventually ensue were it not for Joan's neighbor Denny Davies (Kevin Costner)—a quirky, lonely

ex-baseball star with whom she bonds in a mutual drowning of frustrations—and her four young daughters, whose romances and dreamy career aspirations manage to tip their mother into such a state of imbalance that she is incapable of actually finishing her deadly concoction of alcohol and depression.

The film could have been a moralizing, depressing disaster. But writer/director Mike Binder, who also plays the lecherous older boyfriend of daughter No. 2, gives it just the right balance of humor and drama, as do the actors, who resist the temptation to overplay their parts or ham up the humor.

The end product is a serious look at loss and redemption that, while not as philosophically deep as Binder intended, nonetheless is thoughtful and funny.

Going in to 'Sin City'

• *Sin City*
Dimension Cinema
Directed by Frank Miller, Robert Rodriguez & Quentin Tarantino
123 min, Rated R

By TRAVIS FISHER
Editorial Intern

RALEIGH

Sin City is artistically shot and the cinematography is passionately true to its "graphic novel" nature. It looks like a comic book, and like some graphic comic books, it does not cut corners on violence. Most of the violence is essential to the plot, but some of it is over the top. So leave the children and faint of heart behind.

The story is a collection of narratives by a handful of characters, my favorite of which is Marv, played by Mickey Rourke, who is a no-nonsense brute on a mission. He was framed for the murder of a girl he fell in love with and he won't stop until he gets revenge. Marv takes the audience on an action-packed ride, unfolding the mystery and relentlessly punishing everyone involved in the conspiracy.

Rourke's performance is the best I have seen from him. Typically a second-tier actor, I cannot imagine anyone else playing Marv. Rourke is convincing, real, and someone the audience genuinely befriends during the movie. He generates just the right combination of action and humor to make this movie worth seeing, if you can handle the excessive violence.

CJ

Book Review

The Woman and the Dynamo:
Modern Libertarian Movement

• Stephen Cox: *The Woman and the Dynamo: Isabel Paterson and the Idea of America*; Transaction Publishers; 2004; 409 pp.; \$39.95.

By JUDE BLANCHETTE
Guest Contributor

IRVINGTON-ON-HUDSON, NY

It is a curious footnote in the history of the libertarian movement that three of its leading acolytes voted for FDR. The irreverent H. L. Mencken voted as much against Herbert Hoover as he did for Franklin D. Roosevelt. Ayn Rand had yet to ground herself in Objectivism (although I'm sure she would have said she already had), and like many she bought into Roosevelt's rhetoric of fiscal discipline. But Isabel Paterson knew better, or at least she should have.

Born on an island in the middle of Lake Huron, the frontier of untamed Canada left an indelible mark on Paterson. After working for a series of newspapers on the American West Coast, she migrated east, to New York City, where she eventually found her way to the *Herald Tribune* and ultimately to nationwide fame. While ostensibly a book review column, her weekly "Turns With a Bookworm" provided a regular forum for her views on just about everything, from a libertarian perspective. Signed I.M.P. (her initials), "Turns" became one of the most influential literary columns in America.

Her name survives today, however, primarily because of *The God of the Machine*, her magnum opus written in 1943. For the aspiring libertarian, it has almost become required reading. Written during the dark epoch of World War II, it, along with Rand's *The Fountainhead* and Rose Wilder Lane's *Discovery of Freedom: Man's Struggle Against Authority*, was one of the three books published in 1943 that helped ignite the modern libertarian movement. The book is a magisterial attempt to chart the course of human energy, both free and un-free. In Paterson's writing, we see great passion, wit, and verve.

To her, Plato's *Republic* was a "paper scheme," while "Most of the harm in the world is done by good people, and not by accident, lapse, or omission." Her belief in human freedom was as strong as her distaste for socialism, interventionism, and the welfare state, and it is no wonder she converted so many to the cause of liberty.

Yet, for the significance Paterson and her book have had on the development of antistatist ideas in the 20th century, there has been comparatively little written of her. Stephen Cox's new biography of Paterson corrects this intellec-

tual sin of omission.

Charting the course of her life from the wilds of Canada to the hubris of intellectual cocktail parties in New York City, Cox weaves an intricate picture of this iconoclast's life. For those who came to Paterson through *The God of the Machine*, Cox's book reminds us that Paterson was firmly established as an important libertarian intellectual even before its publication. Her columns covered war, peace, trade, and socialism from the stance of a libertarian individualist fighting the tide of collectivism.

Cox, a professor of literature at the University of California, San Diego, understands that what Paterson wrote was equally as important as when she wrote it. If alive and writing today, Paterson would be an important and courageous thinker. She is all the more so given the fact that she was virtually alone in her politics—doubly so, considering her gender—during the era of the New Deal and WWII. She proudly proclaimed her belief in "...the Rights of Man, personal liberty and private property" during a time when the literary world was infatuated with the "new man" of the Soviet Union. This, along with her strong position against entry into WWII and her dislike of militant anticommunism won her enemies on all sides. Like Mencken, she traveled in a world hostile to her ideas, and her unyielding belief in liberty and limited government marginalized her to many.

Much of the material for the book was drawn from Paterson's personal correspondence, and that consequently gives it a strongly partisan feel—with Cox firmly ensconced in Paterson's corner. Some of Cox's conclusions seem a bit strained. For example, he asserts that Paterson was the guiding force behind Rand's political development. He writes, "If there was a crucial, external influence on Rand's political development, Paterson was that influence." His evidence to support this statement is weak—an inscription in Paterson's copy of *The Fountainhead* that reads, "You have been the one encounter in my life that can never be repeated." This is certainly a touching sentiment, but hardly enough evidence to support the contention.

That small point aside, *The Woman and the Dynamo* is a valuable addition to the history of the libertarian movement. While it is not the final word on Paterson, it should serve as a springboard for further research into a woman and her writings, which are still highly relevant after half a century.

CJ

Jude Blanchette is a research fellow at The Foundation for Economic Education.

Book Review

September Symphony and Lament: Kilar Interprets the Tragedy

• Wojciech Kilar's *September Symphony and Lament*; Antoni Wit and the Warsaw Philharmonic Symphony Orchestra, Henryk Wojnarowski and the Warsaw Philharmonic Choir; CD Accord

By JON SANDERS
Assistant Editor

RALEIGH

What can an artist possibly do when faced with a tragedy like Sept. 11? That was the question facing composer Wojciech Kilar after witnessing the towers fall. The music on this CD Accord disc represents his answer to the question: the September Symphony and the Lament for a cappella chorus.

A Polish composer, Kilar calls himself "indiscriminately pro-American," a trait that "started with Mickey Mouse and cowboys and finished with Faulkner and American composers." He is especially fond of "Johnny Cage," to whom he says "music after the 1950s owes a lot."

Kilar is famous in his native Poland as one of the "Vintage 33" composers (he and fellow Polish composers Henryk Górecki and Krzysztof Penderecki were all born in 1933). The Vintage 33 had more than the birth year in common — each initially made waves as avant-garde composers, then independently rejected that direction of composing and began pursuing more Romantic musical paths.

Kilar has composed music to commemorate tragedy before; for example, his *Ode to Bela Bartok in Memoriam* was inspired by and dedicated to Hungarians after the Soviets crushed Hungary in 1956. His *Koscielec* 1909 commemorates the death of the Polish composer Mieczyslaw Karłowicz beneath an avalanche in *Maly Koscielec* in 1909. His *Requiem Father Kolbe* remembers the Polish priest, Father Maximilian Kolbe, who as a prisoner in Auschwitz under the Nazis volunteered to die in the place of a condemned prisoner because the other man had a family.

Kilar is most famous internationally for his film music — he has written the scores to well over 100 Polish films; his *Requiem Father Kolbe* is based on music he wrote for a film about Kolbe entitled *A Life for a Life*. After the fall of communism in Poland in 1989, Kilar wrote a handful of scores for American films. Those include *The Ninth Gate* in 1999, *The Portrait of a Lady* in 1996, *Death and the Maiden* in 1994, and most notably *Bram Stoker's Dracula* in 1992. Kilar says he has stopped composing film music, but last year he did compose the theme to *The Pianist*.

On this disc, the Warsaw Philharmonic Choir under the baton of Henryk Wojnarowski performs the Lament, and the Warsaw Philharmonic Symphony



Orchestra under the baton of Antoni Wit performs the September Symphony. The sound quality is excellent, as is the performance of the choir and the orchestra. The symphony was recorded live on Sept. 11, 2003, but the recording is not hampered by coughing or other ambient noise.

The opening Lament is based on 15th century Polish verses about a recently disembodied soul who is sad because she is not certain where to go. The concluding lines translate into "Come my dear little soul! / Let me show you the way to paradise, / To the heavenly kingdom of the skies."

The September Symphony, Kilar's first symphony outside of his student compositions, is a traditional-feeling four-movement work. The first movement, marked Largo, opens with a falling, six-note motif, itself given in three groups of two notes, played on the brass. The motif is heard twice, and then strings answer in a haunting, organ-like passage. The atmosphere depicted seems blighted. The motif on brass returns, and the strings reply more somberly. The woodwinds enter cautiously on a slowly rising theme, but a horrendous crash seems to dash their hopes. Strings murmur over the events, and then there is silence. A lone clarinet mourns, joined by an oboe. The strings play a solemn hymn. At its closing, a trumpet plays a soft, four-note tribute.

The second movement, Allegro, opens very energetically with staccato strings striking the same note repeatedly with a few bursts of a higher pitch. Despite the energy, this is very static music, and it sounds ominous — it seems to threaten the symphony with oppressive monotony. The frenetic pace continues throughout the movement; the original theme gives way to growling brass and then swirling woodwinds, all repetitive in their own ways, before it returns to conclude as monotonously as it began. In a way this movement's vigorous, demanding conformity seems reminiscent of the forced "Soviet apotheosis" at the end of Shostakovich's *Fifth Symphony*. Would it be too much to wonder if this is not Kilar's portrait

of the terrorists and their vicious, exacting worldview that tolerates no dissent?

The third movement, Largo, returns to the atmosphere at the conclusion of the first. Cellos introduce a theme comprising two-note clusters, similar to the symphony's opening but fluctuating rather than falling. After the first full statement of this theme, violas enter and take it into their register while the cellos play accompaniment. This process continues upward through the strings, each iteration richer and more entrancing than the previous. A pivotal point is reached, and the movement seems headed to a dark place, but instead finds light. The brass enter with a hymnic refrain similar to the theme of the strings, with flutes occasionally adding commentary. The cellos return with their theme, but it is shortened, as if the orchestra wishes to speed its evolution. A critical point is reached, and again darkness and despair seem to be the destination, but instead light and peace are achieved. A Coplandesque coda follows, and over this gentle expanse a celesta sounds a four-note phrase, similar to that of the trumpet at the conclu-

sion of the first, but brighter in aspect. Its phrase is the falling two-note motif with each note doubled — O beautiful... the opening phrase of *America, the Beautiful*.

The fourth movement, Moderato, starts on an industrious melodic line played by cellos. After a repeat, a piano joins to mark time and the other strings join in succession, swelling the theme until brass join and try to take it to a statement of triumph and conclusion. It is too soon; the strings revisit the symphony's mournful opening. Suddenly the monotonous staccato of the Allegro assaults the symphony on strings and timpani; the orchestra joins it and fights it from within with harmonic plurality, and eventually it succeeds in assimilating it into a proud proclamation of the movement's opening theme.

The triumph is final, reaching to a victorious declaration in the brass of the symphony's opening, six-note motif. A silence follows, then remembrance. The symphony closes on a wistful note, seemingly peaceful, but its final chord leaves a question lingering. *CJ*



Since 1991, *Carolina Journal* has provided thousands of readers each month with in-depth reporting, informed analysis, and incisive commentary about the most pressing state and local issues in North Carolina. Now *Carolina Journal* has taken its trademark blend of news, analysis, and commentary to the airwaves with **Carolina Journal Radio**.

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Hendersonville	WHKP	AM 1450	Sundays 5pm
Jacksonville	WJNC	AM 1240	Sundays 7pm
Lumberton	WFNC	FM 102.3	Saturdays 1pm
Newport/New Bern	WTKF	FM 107.3	Sundays 7pm
Salisbury	WSTP	AM 1490	Saturdays 11am
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Whiteville	WTXY	AM 1540	Tuesdays 10am
Wilmington	WAAV	AM 980	Saturdays 1pm

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Commentary

Do-It-Yourself School Split

While proponents of a Charlotte-Mecklenburg Schools split felt disrespected after they were largely ignored in a House Education Committee meeting at the General Assembly recently, they are not stuck in the system they disapprove of.

Supporters of a bill that would break up the state's largest school system think CMS is unwieldy and ineffective, and they want school leaders who will be more responsive to their needs. Many of them drove three hours to Raleigh for the hour-long committee hearing, but they thought the breakup idea didn't receive sufficient consideration from state lawmakers.



Paul Chesser

In dramatic contrast, recently another group of North Carolina parents achieved a remarkable political victory in almost lightning-quick fashion. Weeks ago, as part of his budget recommendations, Gov. Mike Easley had proposed moving the state's Department of Non-Public Education from the Department of Administration's oversight to the Department of Public Instruction's. DNPE watches over the state's homeschoolers and other private education institutions.

The General Assembly began to consider the idea at about the same time homeschoolers learned about the proposal, which led to an overload of objections on the voicemails and e-mails of legislators. Homeschoolers and private school advocates in no way want to be under the authority of the state's public education bureaucracy.

Easley's representatives, who received their own share of complaints about the proposed move, met with homeschool and private school leaders shortly afterward to hear their concerns. Later, the governor's staff released a statement that said moving DNPE under DPI is no longer part of their budget recommendations. Amazing, huh?

And therein lies the answer for many, if not most, parents of CMS students. You don't need legislative authority to secede from your local schools. You don't need to establish another separate bureaucracy to oversee the education of your children. You don't need to entrust your kids to the lottery of learning that comes with any publicly funded system.

No, you already have another, better option. A total of 28,746 families in North Carolina have proven

that it is possible for students to excel in the smallest imaginable school system — in homes. You already have the right to break what binds you to the whims of school boards and education bureaucrats, by teaching your own children. And if you believe that the schools are failing to properly educate your kids, then it is your duty to pull them out of the system and do it yourself, if you can't find or afford another acceptable alternative.

Homeschooling is no longer out of the mainstream. You probably already know a family doing it. Most of those children are well-adjusted and perform great academically.

Think you can't do it? Sure, there is fear of the unknown, but that exists when you send your kids to public school, too. You are your children's most important teacher in the first place. And in case you didn't know, there are hundreds of support groups and curricula available to help you do the job.

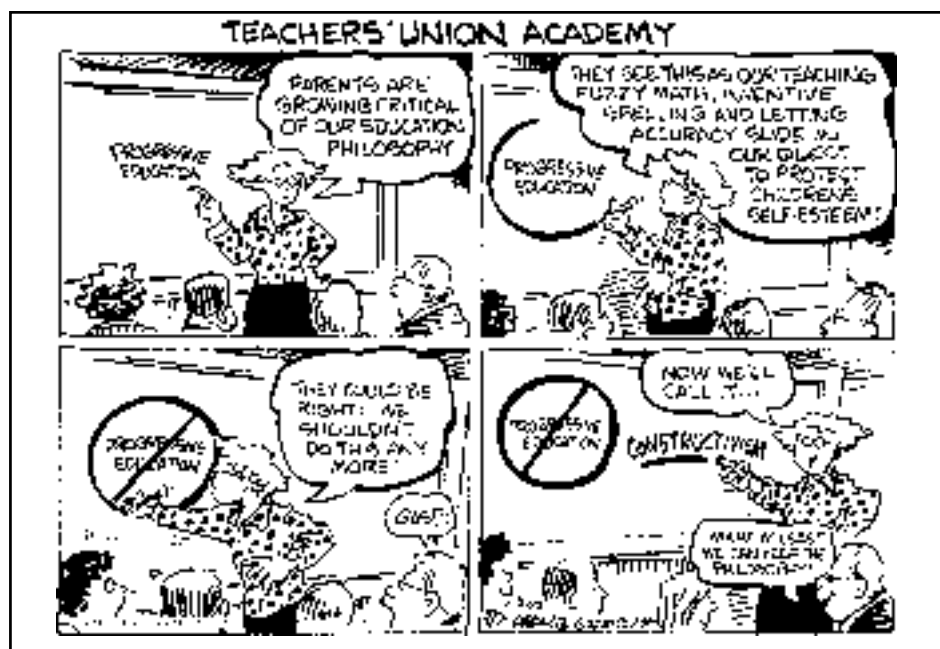
But homeschooling causes hardship, right — both financial and psychological? Yes, you will take a financial hit if one spouse has to drop out of the workforce, but what is the worse hardship: the educational shortcomings and potential waywardness of your kids, or the monetary sacrifice? Our family has often struggled through, but the rewards we have seen in the development of our four children have been stratospheric. And my wife and I were not exceptional students ourselves. Neither of us graduated from college. You would never know that talking to our kids.

Need to move to afford it? Well, what's wrong with that? People move all the time to find affordable living standards and jobs that sufficiently provide. Find the right mix that will allow you to provide for your needs while properly caring for your children.

Forget the politicians — don't let them dictate to you how you will raise and educate your children.

Don't leave this vital parental responsibility to chance. Seek a community, a job, a spiritual support group and whatever else you need to help you become the most influential person in your child's life. Government can't control that unless you let it.

Besides, at least lawmakers listen to homeschoolers. *cj*



Editorials

How to STIFF COMPANIES

The real reason behind slavery disclosure laws, lawsuits

Welcome to victimology for profit. The newest done-'em-wrong idea touring the nation is now visiting North Carolina in the form of a bill introduced by Rep. Larry Womble, D-Forsyth, and Rep. Earl Jones, D-Guilford. Their bill, H1006, would require companies doing business with the state to examine their records for evidence of participation in slavery — back when great-great-grandmas and dinosaurs roamed the earth.

No trifling matter, the House State Government Committee, of which Womble is a chairman, approved the measure April 13 and sent it to the Committee on Rules, Calendar, and Operations of the House.

A few cities: Philadelphia, Chicago, and Los Angeles, have already approved the slavery disclosure requirement. If North Carolina approves the bill, it would become the first state to do so. Under the bill, businesses would have to submit affidavits at the signing of government contracts stating that the companies had researched their records for any indications of profits from slavery. The companies would have to disclose the names of slaves and slaveholders if evidence was found.

Advocates of the measure say their purpose is not to punish corporations, but only to set the record straight. Right. What the measure would really do is set the record straight on a path toward further racial unrest and a round of lawsuits against companies that might have done business more than 140 years ago.

Is this the sort of corporate climate that North Carolina wants to cultivate? A crime itself, North Carolina already bribes companies with hundreds of millions of taxpayers' dollars to come here. Does it want the added distinction of being the only state that stiffs companies before doing business with them?

Disclosure laws set the stage for lawsuits and reparations. Chicago's disclosure law says it without subtlety. The city's law states that its justification is to get "information as a preliminary for discovery in an upcoming lawsuit."

The real danger does not lie in lawsuits themselves, for it's doubtful that activists file the litigation with the expectation of winning in court. Their case is too ridiculous to have any legal merit, and they know it. Rather, their aim is to encourage settlements, or to squeeze money, from large corporations.

One corporation already has caved in to the pressure. The Chicago-based JPMorgan Chase & Co. created a \$5 million college scholarship fund for blacks in Louisiana. In compliance with Chicago's new law, JPMorgan disclosed that two of its predecessor banks allowed slaves to be used as collateral on loans in Louisiana. The banks in question ceased to exist as independent companies long ago.

According to the National Legal and Policy Center, in Washington, D.C., one lawsuit filed in 2002 sought an unspecified amount of money from 19 corporations representing some of the nation's largest banking, insurance, tobacco, and railroad companies. Although a federal judge dismissed the lawsuit in January 2004, he did it "without prejudice," which means activists can file new suits. On March 29, a class-action lawsuit was filed against many of the same companies. In addition, the Reparations Coordinating Committee is considering suing even more insurance companies and another bank. Energy companies also are possible targets for such lawsuits.

Legislators should kill Womble's and Jones' bill, sooner better than later. The farther it goes, the greater the danger becomes that through unseemly means an absurd idea might actually gain some perception of credibility. *cj*

SOME LIKE IT HOT

The time has come for acceptance of on-demand driving

One of the first policy papers published by the John Locke Foundation, back in 1991, concluded that North Carolina should use new approaches such as toll roads, public-private partnerships, and congestion pricing to expand the state's highway system in a cost-effective manner.

As it turned out, state lawmakers eventually embraced the notion of toll-road partnerships, and in fact the projects currently under consideration by the state are strikingly similar to several we listed as potential opportunities back in the early 1990s. Meanwhile, there's been movement on the congestion-pricing front—specifically, plans to add what are called “high-occupancy toll”, or HOT, lanes to congested Interstate 40 between Raleigh and Durham.

The idea of paying for new highway capacity by charging users is hardly new. In fact, toll roads have been around for thousands of years, and in modern form they constituted much of the roadway capacity in America and Europe during the 18th and 19th centuries. But tollways have always had a collection problem. It was too costly to staff the roads enough to collect the fares and keep nonpayers from using them. Also, government subsidies to railroads helped doom many toll roads to oblivion.

Actually, road transportation was never a major commercial artery or large-scale conveyance anywhere until the invention of the automobile (it was valuable to the military, however, which is why government provision of roads made some sense early on). Sea trans-

port was much more economical.

The auto changed all that by doing two things simultaneously: 1) it made roads cost-effective compared with trains and boats, at least in some cases; and 2) it ameliorated the collection problem by enabling motorists to pay a user fee, via gasoline taxes, that bore at least a rough relationship to miles traveled.

During the first few decades of the auto age, tolls remained costly to collect, both in manpower and congestion. So it didn't necessarily make sense for all limited-access highways to charge users directly. But now it does, since electronic toll collection allows roads to pay for themselves without slowing traffic or forcing most drivers to fish for change. Furthermore, electronic means allows for market-based congestion pricing to allow some drivers, if they wish, to pay a higher price for roadway access when it is more valuable, much as utilities charge electric customers more during periods of peak demand.

When this option first became available, some politicians and activist groups railed against the notion of what they called “Lexus lanes.” Why should wealthier people be able to access a special lane that the rest of us can't? Well, as a *Governing* cover story explains, these concerns are starting to ease, particularly as mass-transit boosters see market-based tolls as a way to discourage driving and to alleviate congestion for everyone on the highway, regardless of whether they use HOT lanes. It also turns out that people across the economic spectrum use the lanes.

Progress is a beautiful thing. CJ

HERE'S TO YOUR HEALTH

People should be free to manage risk in the marketplace

Health care reform is one of the most complicated and poorly understood issues facing policymakers at all levels of government.

The price of health insurance is rising rapidly, for example. In the private sector, a major factor is the tax treatment of health insurance, which creates artificial reasons for people to buy coverage from their employers and to use insurance to cover routine expenses rather than just catastrophic events.

A striking feature of rising insurance premiums is that the inflation is highest in the small-group market, leading many small and medium-sized employers to drop their health plans altogether.

What many nonprofessionals don't realize is that these plans are required by state governments to bear costs that large employers rarely have to should-

der.

Many workers prefer to have their health plans cover chiropractic, podiatry, dentistry, drug treatment, or mental illness. But they are also insulated from perceiving the true cost—unless their plan gets too expensive and goes poof. It would be far better to deregulate the insurance market so that firms or individuals could purchase whatever level of health coverage best meets their needs and their budget.

Insurance arrangements are contracts that allow parties to manage their risks. People should be free to negotiate such arrangements in the marketplace, rather than suffering the unintended consequences of having politicians “help” them into the ranks of the uninsured.

Action to reduce insurance mandates is just one policy, but it is no panacea. CJ

Commentary

Annexation Isn't the Right Tool

Among my friends, I am known as notoriously unskilled and unlucky when it comes to mechanical contrivances.

The one and only time I bought a brand-new car, the lemon died on the way home from the dealership. It sent out a replacement car, which also died. More recently, I bought a lawnmower, used it precisely thrice, and then had several different things go wrong to keep it from starting. And back in college, I ran over myself with my own car.

Yes, you do want to hear that story. And no, I'm not going to tell you.

But even I—chairman of Incompetent Handy-men of America, Local 24601—know better than to try to turn a flathead screw with a Phillips screwdriver. I think that is an appropriate analogy for the state's misguided policy of “solving” problem of local finance by allowing cities to annex whomever they want, whenever they want.

There aren't very many states in the union more committed to involuntary annexation than North Carolina is. It's not as if the policy enjoys broad public support—there have been local fights about the issue recently in communities from Asheville to Fayetteville to Wilmington, and it's obvious that public sentiment is against municipal land-grabbing. The commitment comes from public officials, elected and appointed, local and in Raleigh. They are firmly convinced that annexation keeps cities “healthy” and “balanced.”

Annexation reformers rally

Activists rallied in the state capital the other day in favor of several bills to reform annexation, including one requiring a referendum. These members of Stop NC Annexation (www.stopncannexation.com/) protested at the same time that their lobbying nemesis, the NC League of Municipalities (www.nclm.org/), met in Raleigh to press their case on annexation and other issues.

Municipal officials pose a legitimate question: if people who live outside the city limits consume services paid for by property taxes, aren't they getting an unfair subsidy? Their answer—“yes, that's why we need annexation!”—is unsatisfactory, however.

For one thing, nonresidents do

help pay property taxes, and thus support city services, if they work, shop, or recreate at taxable businesses in the city. Taxes on commercial property are partially shouldered by workers and consumers, whether they realize it or not. In a rough sense, then, non-residents implicitly pay taxes roughly in proportion to how much time and money they spend in town.

Obviously, city residents pay more tax because they get hit at work,

at the store, and at home. But then again, they receive a higher level of service (police and fire, street access to their homes, etc.) The biggest problem, it seems to me, involves services such as parks and recreation, community centers, or performing-arts venues. If these services, conducted on non-taxable land, are provided at little or no cost to the user, the potential does

exist for nonresidents to impose service costs on the community without contributing sufficient taxes to cover them.

Here's where the Phillip screwdriver comes in, though. Rather than coerce neighborhoods into the city's tax base, which forces many people to pay taxes for services they will never use, cities should charge appropriate user fees. In the first place, governments were not instituted among mankind to host concerts or run sports leagues. If they are going to be in those businesses, the beneficiaries should, as much as possible, offset the cost. If you think about it, plenty of residents don't use these services, either, yet get forced to pay for them through property taxation.

Many advocates of forced annexation won't pick the right tool for this job, because getting rid of cross-subsidies isn't their goal. They see annexation as a means of income redistribution, or social engineering, or at least a handy way to score some cash.

But for those fair-minded people who just want to make rational tax policy, take my advice and reach for that flathead screwdriver marked “user fee.”

And if you feel like returning the favor sometime, please refer me to a good lawnmower mechanic.

John Hood is president of the John Locke Foundation.



John Hood

Editorial Briefs

Women opting out of work

A large percentage of highly qualified women choose to take time off from their careers, and in doing so, pay a huge price in terms of future job opportunities and financial rewards, says Laura D'Andrea Tyson, dean of the London Business School in *Business Week*.

The opt-out hypothesis could explain why, according to a recent U.S. survey, one in three women with a master's degree in business administration is not working full-time, versus one in 20 men with the same degree. According to the survey, summarized in the *Harvard Business Review*, 37 percent of the women surveyed, and 43 percent of those with children, voluntarily left work at some point in their careers, with the average break lasting about two years.

Of the women who took time off from work, 93 percent wanted to return to their careers; unfortunately, only 74 percent were able to do so. Forty percent returned to full-time positions and 24 percent took part-time positions. Overall, women who took time out from careers lost an average of 18 percent of their earning power; in business careers, the average loss was 28 percent even though the average break lasted little more than a year.

Such reductions in earnings potential are a primary reason the earnings gap between men and women of comparable education levels increases during childbearing and rearing years, Tyson said.

The survey results also indicate that women value jobs with reduced hours and flexible work arrangements. Women are less likely to opt out of work if their employers offer flexible career paths, allowing them to increase or decrease their professional responsibilities at different career paths.

Whistle-blowing for profit

Since Enron, corporate whistle-blowers are seen as protectors of consumers and investors against corrupt executives. However, *Forbes Magazine* argues that many people become whistle-blowers because of greed.

Moreover, fraudulent whistle-blowing is profitable.

Congress changed the law in 2002 to require that whistle-blowers get 30 percent of any money recouped by the government because of their actions. This gives people a powerful incentive to craft fraudulent charges. Since the change in law, whistle-blower cases have boomed, recovering \$7.9 billion from offending companies — and paying out \$1.3 billion to the insiders.

In most instances, the penalty paid was several times the losses caused by the fraudulent action.

Federal officials also have a profit motive — they bring in \$13 for each dollar spent prosecuting a case, and some of those funds get funneled back in the pursuit of new cases.

For example, take the case of Douglas Durand. He worked for TAP Pharmaceutical Products and eventually built a whistle-blower case against the company with federal officials. In July 2004, a federal jury convicted all the defendants. However, by that time TAP had already paid out \$885 million to settle the case. Durand himself received \$126 million, even though his testimony had been picked apart during cross-examination. *CJ*



Memories of U-Boats Surface at Beach Time

By MARC ROTTERMAN

Contributing Editor

RALEIGH

May is here and before too long sun-starved beachcombers will head to the beautiful shores of North Carolina, sit and gaze at the horizon, and watch the shrimp boats glide by. But that serene view was not the case 63 years ago, in 1942.

What transpired then was a tale of tragedy and courage. Many people died protecting their friends, families, and countrymen. Some were in uniform, but many were not. And it happened on our coast. Of the about 378,000 German prisoners of war that reached American shores, the first from U-boats sunk off the coast of North Carolina came in 1942. Operation Drumbeat — The German Plan (Information below was supplied by *The Islander* and interviews with Joseph Schwarzer, executive director of the Graveyard of the Atlantic Museum in Hatteras.).

Commander in Chief Admiral Karl Donitz of the U-boatwaffe, stationed in Nazi-occupied France, absolutely believed that Germany could win the war depending completely on the ability of his U-boat fleet. With that conviction, he wanted to wage aggressive warfare on ships traveling America's East Coast, and he organized operation Drumbeat. British Prime Minister Winston Churchill later said that if Hitler had listened to Donitz — England may have been lost.

Michael Gannon, author of *Operation Drumbeat* wrote: "At the beginning of the war Admiral Donitz estimated that he would have to sink 700,000 gross registered tons of shipping per month in order to starve the British into submission. ... That (shipping and supply) chain could be broken at any point, and in the first six months of 1942, the point where it was broken was along the American coast."

"They had been given a mission by a man they admired greatly. Donitz had developed these men into teams of ship killers, and they went at it with a passion. I think Reinhard Hardegen was particularly

driven by his desire to sink ships."

"Twelve hundred miles from their base, Hardegen briefed his officers. He expected his U-boat to repeat the well-known successes of U-boats 23 years earlier, especially U-117 off North Carolina. But the watches on deck had to be vigilant, for the Americans would surely remember their shipping losses in 1918."

What was known? Mike Gannon writes: "It's an odd thing to say that the United States Navy was very well prepared in the abstract for a German invasion," Gannon said, "but when the attack actually came, the Navy failed to execute."

The devastating facts are these: During the first six months of 1942 more than 400 vessels were known to be sunk by U-boat attacks off the North Carolina coast. Those numbers are still being revised today.

The first months of 1942 must have been horrifying to the helpless eastern North Carolinians who watched the fires glow on the horizon and heard the explosions.

It is not an exaggeration to say these people probably saw and lived through more first-hand war experiences than any other part of the United States. Bodies washed up on the beaches and thunderous explosions shook their homes. They lived in fear knowing that the Nazis were just off the coast.

It started in January 75 miles east of Cape Hatteras at 2:30 a.m. Sunday, the 18th. Two torpedoes hit the tanker *Allan Jackson*. Thirty crew members were lost.

That was the beginning of the attacks and sinkings that went on for months. The Navy emphasized enormous secrecy because there were no U.S. counterblows. There were no U-boat sinkings in those early months. No sinkings came until U-85 was sunk off Nags Head later in the spring.

The war off the coast was hardly reported and when it was the propaganda machines told a story far from the reality of events. That spring in 1942 left many lives changed forever. Hitler and the Nazis were no longer a newsreel story from across the sea. They were real — and they were here. *CJ*

Marc
Rotterman

N.C. Officials Exempt Their Laws From Constitution

To the editor,

Two separate acts of the General Assembly, both of them fundamental in intended result, show the mindset and intent of that elected body. The lottery bill sanctions what has been an unlawful activity in this state for more than 100 years, and is an act in defiance both of public policy and existing criminal law (Ch.14, Gaming). The second bill, likewise gives approval to previously unlawful activity and seeks to reward it. This is the bill that would make it lawful for illegal aliens to have in-state status, tax-subsidized education. The basic underlying premise of both acts is, that it not only is OK for government to give its imprimatur of approval to illegal conduct, but that it is desirable and good to do so. The lottery bill is all but enacted, the other act has broad support among prominent politicians and the organized press.

In North Carolina, the adoption of a lottery would require an enactment that would exempt government itself from prosecution of acts otherwise prohibited to its citizens and other entities. The creation of a gambling monopoly is dependant upon retaining anti-lottery statutes as to everyone except government itself. Sure enough, HB 1023 contains those exemptions while it rewrites the present gambling statutes to assure the monopoly (See Sec. 3). Government would then carry out the unlawful activity under its exemption, erecting a soon-to-be-corrupt corporation to execute the scheme. Power to control this corruptible corporation is granted to the top power brokers in the House, Senate, and governor's office. No need to wonder why.

The adoption of a scheme whereby the children of illegal aliens are given a favored status equivalent to bonafide residents, must also retain prohibitions against U.S. citizens who are nonresidents getting the favored status. In other words, illegal aliens would be given a status prohibited to residents of neighboring states. An unlawful discrimination? Probably.

There is a subliminal message encoded in the thrust of both these acts: It is all right for the Sovereign (government) to sanction and engage in activity that has previously been considered as prohibited by statute and as being contrary to the pronounced public

policy, so long as there is a "desirable" end to be achieved. Continuing the similarities: Both proposals are for the "education of the children," both are advanced as good for the economy, and both have the support of either the sitting governor or the prior governor.

It should be required reading for every citizen of North Carolina and every aspiring citizen to read the preamble to the Constitution of the state. It takes less than two minutes and is instructive as to why government was ordained among us in the first place.

When government acts contrary to the purposes for which it was established, this should send a signal back to those from whom its power has been derived. Read the Constitution of North Carolina. Find, if you can, the power to erect a gambling monopoly, and to favor by statute one set of persons over another on the basis of the illegal status of their parents. Both discrimination and monopolies are mentioned as being prohibited. Special emoluments (special favors) to specific persons are likewise prohibited.

In this day and time, however, if the law, public policy or the Constitution contain impediments to a desired result, the Sovereign can simply exempt itself there from. Those in charge have no apparent hesitation to do so.

There is a section in our Constitution which provides that: "...from time to time it is necessary to repair to fundamental principles." This admonition seems to be forgotten by lawmakers. When did we last repair to fundamentals?

**Bernard A. Harrell
Raleigh**

To the editor,

The *Carolina Journal* and most other media have entered the "save Social Security" fray, as have many politicians. There have been few concrete plans offered, with most participants being satisfied with single-issue salvos. Bush, for instance, is stuck on "private accounts." Here is my plan:

1. Remove the present \$90,000 wage limit subject to payroll tax. Keep the present payroll tax percentages.

2. Alter the present indexing of initial benefits to wages to an indexing to wages at the lowest wage levels progressing to indexing to prices at the highest level.

3. Tax Social Security benefits based on total income progressing to 100 percent at some high level, say \$100,000.

4. Establish a compulsory savings fund consisting of a single equity trust fund within Social Security to which each person contributes 1 percent of his salary, matched by the employer (or the individual if self-employed). Each individual has an account within the fund, but no control over it. On retirement at regular Social Security age, the balance is converted to a nontaxable annuity of the individual's choice.

5. The entire program would be subject to review at five-year intervals to adjust the parameters of 1 through 4 above to maintain the solvency of the basic safety net feature of Social Security (1 through 3) and to adjust the payroll tax downward in case of outstanding success of the compulsory savings fund (4), and/or alter the distribution between the safety net and compulsory savings contributions.

This plan has the following advantages:

1. There is no increase in taxes. (There are additional taxes for high-wage earners and high-income beneficiaries, but see 4. below.)

2. There is no transition cost, nor is any borrowing necessary.

3. The safety-net feature of Social Security is modified in favor of lower life-income individuals, and is made solvent far into the future.

4. The compulsory savings feature meets the criteria of giving all participants an "ownership" and preferentially favors the high-wage earner, compensating for his losses in the safety-net feature.

5. The plan is pretty much politically neutral and should have a good chance of approval.

6. There would be minimum cost to Social Security in adopting and administering this change.

7. The need for increased national savings is answered to some extent.

**Robert A. Hawkins
New Bern, N.C.**

Drilling in Alaskan Refuge: The Right Policy for the Wrong Reason

By DR. ROY C. CORDATO

Contributing Editor

RALEIGH

Opening the Alaskan National Wildlife Refuge for oil exploration is a good thing, but it is being pushed for the wrong reason. As an economist, I have no idea whether we should be less or more dependent on "foreign oil," and except for all-knowing central planners, neither does anyone else.

Actually, there is no reason to care about what percentage of our oil comes from where. The proper mix of foreign and domestic oil is revealed by the market decisions of freely trading consumers and producers, and in a free society that is the way it should be. There is no particular reason to suspect that new oil from Alaska, or anywhere else, will have an effect on our level of dependence. This oil will enter the world market and be sold alongside oil from all other sources. Greater independence from foreign oil might or might not result.

The reason that we should open the refuge and other areas to oil drilling is to give the Organization of Petroleum Exporting Countries some competition.

What cartels hate more than anything are new supplies entering "their" market from sources outside the cartel. What every cartel needs to survive is supply restrictions, and these can come only from government. Usually, supply-restricting laws are implemented to protect a domestic cartel. Examples in this country include the former Civil Aeronautics Board, enforcing the airline cartel; the Federal Communications Commission, enforcing the broadcast cartel; and tobacco quotas, establishing and enforcing a tobacco grower's cartel.

Since the energy crisis of the 1970s, except for a brief period in the 1980s, our energy policies have acted as a supply-restricting cartel enforcement mechanism for OPEC. In the 1970s OPEC's market power came from President Richard Nixon's price controls on crude oil and gasoline. Because of the controls, domestic exploration and production were stopped most of the decade. In the 1980s, after President Ronald Reagan abolished the Nixon controls, the bottom fell out for OPEC as domestic exploration soared and the world went from oil shortage to oil glut.

But starting in the 1990s, OPEC's cartel enforce-

ment agency in the United States became the Department of Interior. By enforcing restrictions on Alaskan and off-shore drilling, coal mining in the Southwest, and nuclear power-plant construction, coal and nuclear being substitutes for oil, U.S. policies have allowed OPEC to thrive. This is taking place with the backing of the environmental movement — which is OPEC's best friend and most effective lobbyist in Congress.

The real reason to allow drilling in the refuge, off the coast of North Carolina, or wherever, is to break the back of OPEC. The policy of tacit collusion between the Arab oil-producing states, the American environmental movement, Congress and the Department of Interior must be ended immediately, releasing American consumers from the monopoly stranglehold that this unholy alliance has created.

At the end of the day we may be buying the same proportion of our oil from foreign producers as we are today. The point is that there will be the possibility to go elsewhere, to fire our suppliers, whoever they are. This is what's important, not how much we're buying from whom at any particular time. Our goal should not be energy independence but energy freedom. *cj*

Governor Crushed by Loss of Gatorade to Va. (CJ Parody)

By CHAUNCEY GREEN
Beverage Analyst

RALEIGH
Recent news that North Carolina lost a Gatorade manufacturing plant to Virginia was a blow to Gov. Mike Easley's economic development team. "Gatorade's decision to locate in Virginia to serve its growing East Coast market is proof that our economic development strategies are not paying off. We just lost 250 jobs," Easley said.

Sources close to the governor told *Carolina Journal* that he really put his heart, soul, and stomach into the project.

"The man was really upset. He was drinking four quarts of Gatorade a day as a symbolic commitment to the project. Now that the company has stiffed us for Virginia, he doesn't plan to touch the stuff again. Never," a top aide said. "He made us drink it too. I am relieved it is over."

The governor's policy is to not reveal to the public how much the state offered to recruit a company until the company announces it is actually coming to North Carolina. When the company chooses another location, the governor's office routinely unveils just a portion of the incentive package.

"We don't mind giving away the store when we win the project, but when we lose one it's embarrassing for citizens to see how desperate we were for one more announcement," Easley economic advisor Dan Gerlach said. *CJ* obtained a copy of the incentives from an anonymous source.

A unique feature of the governor's package was based on Easley's concern for the environment. "Gatorade bottles account for a significant amount of roadside litter in North Carolina. We need to do something about that," Easley wrote in a memo to Commerce officials.

The governor's proposal would have the state reimburse Gatorade consumers 25 cents per recycled Gatorade bottle at a network of state-run recycling facilities.

Details of the proposed deal

The governor's package included:

- A 25-cent recycling credit on Gatorade bottles;
- \$5 million Golden Leaf Foundation grants every year until tobacco is outlawed;
- Free community college tuition for all illegal aliens hired by Gatorade;



Easley's plan would have reimbursed consumers for recycled

• All North Carolina public school sports teams would drink only Gatorade at official events;

• A Sports Drink Museum would be built in Tarboro.

• Gatorade would become the official state drink.

State Senate boss Marc Basnight was critical of the Easley team.

"If they would just let Speaker Jim Black and me handle these deals, we would

win everyone of them," he told a group of angry Tarboro businessmen gathered outside his office.

One man, who refused to identify himself to *CJ*, told Basnight he had already optioned land near the site being considered by Gatorade. He told Basnight not to count on future political contributions. "You just can't deliver like you used to," he shouted.

Specifics on the total of Basnight's incentive package were not reported, but sources told *CJ* that one component was for the state to buy the site and give it to Gatorade for 50 cents. *cj*



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