

## Public Funding of Sports Arenas Strikes Out Again

*Charlotte outcome shows voters are getting fed up with funding sports teams*

By DON CARRINGTON and ERIK ROOT  
Staff Editors

**T**he Lowe's Motor Speedway, one of the larger tracks on the NASCAR racing circuit, is located just outside Charlotte, was built with private funds, and plays host to one of (if not the) most popular sporting events in the state.

The Charlotte Coliseum is located in the city proper, was built with public money, and is home to a once-popular NBA team that has had major attendance problems in recent years. Guess which one definitely will have a tenant two years from now and which one may be vacant?

The Charlotte Coliseum, built by the city shortly before the creation of the Charlotte Hornets, is facing the prospect of having no major tenant at the end of the next NBA season. The Charlotte Hornets, whose owners claim \$1 million monthly losses, have threatened for years to leave town if the city didn't build them a new arena. On June 5, Charlotte voters overwhelmingly rejected a proposal for publicly funding a new arena for the NBA team.

So now the Hornets must finance a new arena themselves or move to another town where the taxpayers are more willing to hand public funds to sports enterprises.

Contrast this situation with Charlotte's other two "major league" sports, the Carolina Panthers of the National Football League and NASCAR. The Panthers are in Charlotte to stay because the team funded its own arena (on land donated by the city): Ericsson Stadium in downtown Charlotte. Lowes Motor Speedway was also privately financed and its owners have shown no interest in vacating.

Teams that play in publicly funded arenas tend to stay a few years before moving to a newer, bigger taxpayer-funded facility either in the same or another city. Teams that play in privately funded sports venues, on the other hand, tend to stay in one place in perpetuity. But advocates of government sports subsidies still see publicly funded arenas as crown jewels for their cities.

"It is time to stand up together and sup-



The Charlotte Coliseum, built with taxpayer funds, now is deemed obsolete.

port what we know is right for Charlotte. This plan truly represents one of the finest opportunities we will ever have to keep our economy healthy and our quality of life strong," said Bank of America CEO Hugh McColl to *The Charlotte Observer* about the proposed \$342 million funding package for a new uptown arena for the Charlotte Hornets as well as several other capital projects.

That was the package that voters overwhelmingly rejected June 5, with 57 percent voting against it.

Arguments similar to McColl's — that public subsidies for sports are necessary for healthy and vibrant cities — are constantly replicated in other cities across the United States. They were pounded on in Charlotte for months before the June 5 vote. So why did the arena package fail, and what does that mean for the future of taxpayer support for professional sports teams in North Carolina?

### What Happened In Charlotte

"The taxpayers did not like the idea of supporting wealthy corporations, all of which had something to gain from the approval of the referendum," said Don Reid of Charlotteans Opposed to Sports Taxes (CO\$T).

Jim Puckett, District 1 Mecklenburg

County Commissioner, agreed. "The people are tiring of corporate welfare," he said.

But supporters of the uptown project found other reasons for the referendum's failure.

Pat Riley, the incoming chairman of Charlotte's Arts and Science Council and a member of the "Decade of Progress" committee that supported the arena, said that "the referendum was too hard for the public to understand. They could not understand why we would implode the current stadium, build another, and then put up office buildings in the old stadium's place."

Stan Campbell, president of the Alliance for a Better Charlotte, blamed complexity for the defeat. "In this day and age," he said, "anything that takes more than two sentences to explain is not understood and demagogued to death."

The attitude that the people lacked understanding and needed to follow the uptown leadership rubbed many Charlotte residents the wrong way. One high-profile bond supporter even said shortly before the election that people who opposed the bond package were bad citizens who should leave Charlotte.

Puckett said that "the arrogance on the

*NASCAR, once untainted by government subsidies, is getting in on the game*

By DON CARRINGTON  
Executive Editor

RALEIGH

**E**very February, the Daytona International Speedway hosts the first NASCAR (National Association of Stock Car Auto Racing) races of the season. The 2.5-mile oval race track was completed in 1959 and is one of 34 race tracks used for the three series of NASCAR events.

At perhaps no other race is NASCAR's affluence so evident. The venue is packed with screaming fans who paid top dollar for their tickets, television cameras from which pour millions of dollars in advertising revenue are everywhere, and everything is sponsored, from the race itself to each race car to the cups from which fans sip their beer.

With all that fan support, coverage, and corporate sponsorship comes money — and lots of it. NASCAR is the fastest-growing sport in the country, arguably the most popular, and certainly one of the wealthiest. So, why is NASCAR getting subsidized by the government?

### Sponsors, Sponsors, Sponsors!

NASCAR's Winston Cup series is the most popular with fans and offers winning teams the most prize money. The Winston Cup, which has 39 races scheduled this year, is named for its primary sponsor, Winston cigarettes.

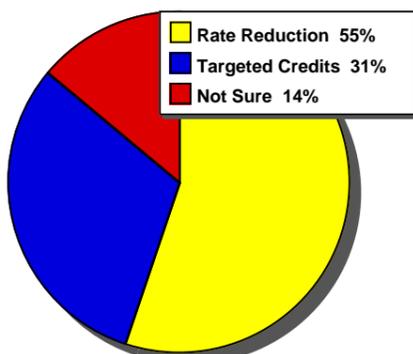
Then there are the 33 races in the Busch Series, named for its primary sponsor, Busch beer. The third set of races is the Craftsman Truck Series, named after sponsor Craftsman tools. This series has 24 events scheduled for this year.

In addition to the sponsors of each series, most individual races also have sponsors such as Coca-Cola (the Coca-Cola 600, which took place at Charlotte's Lowe's Motor Speedway in May), or the recent Busch series race booked as "Sam's Club Presents the Hills Bros. Coffee 300" at the Chicagoland Speedway in June.

Continued as "Sports," Page 3

Continued as "NASCAR," Page 3

### Best Way to Cut Business Taxes



## Contents

|                  |    |
|------------------|----|
| Calendar         | 2  |
| State Government | 3  |
| Education        | 6  |
| Higher Education | 10 |
| Local Government | 14 |
| Books & the Arts | 18 |
| Opinion          | 20 |
| Parting Shot     | 24 |

The John Locke Foundation  
200 W. Morgan St., # 200  
Raleigh, NC 27601

NONPROFIT ORG.  
U.S. POSTAGE  
PAID  
RALEIGH NC  
PERMIT NO. 1766

# CAROLINA JOURNAL

John Hood  
Editor and Publisher

Don Carrington  
Executive Editor

Andrew Cline  
Managing Editor

Thomas Paul De Witt  
Opinion Editor

Melissa Suarez  
Senior Writer

Sherri Joyner, Erik Root, Jon Sanders  
Assistant Editors

Roy Cordato, Charles Davenport,  
Ian Drake, Tom Fetzer,  
Nat Fullwood, David Hartgen,  
Paige Holland, George Leef,  
Michael Lowrey, Kathryn Parker,  
Marc Rotterman, Jack Sommer,  
George Stephens, John Staddon,  
Jeff Taylor, Michael Walden  
Contributing Editors

Hans Hurd, Rheta Burton  
Editorial Interns

Published by  
The John Locke Foundation  
200 W. Morgan St., # 200  
Raleigh, N.C. 27601  
(919) 828-3876 • Fax: 821-5117  
www.JohnLocke.org

John Hood  
Chairman

Bruce Babcock, Ferrell Blount,  
John Carrington, Hap Chalmers,  
Sandra Fearington, Tom Fetzer,  
Jim Fulghum, William Graham,  
Kevin Kennelly, Lee Kindberg,  
Robert Luddy, William Maready, J.  
Arthur Pope, Assad Meymandi, Tula  
Robbins, David Stover, Jess Ward,  
Andy Wells, Art Zeidman  
Board of Directors

CAROLINA JOURNAL is a monthly journal of news, analysis, and commentary on state and local government and public policy issues in North Carolina.

©2001 by The John Locke Foundation Inc. All opinions expressed in bylined articles are those of the authors and do not necessarily reflect the views of the editors of Carolina Journal or the staff and board of the Locke Foundation.

Material published in Carolina Journal may be reprinted provided the Locke Foundation receives prior notice and appropriate credit is given. Submissions and letters to the editor are welcome and should be directed to the managing editor.

Readers of Carolina Journal who wish to receive daily and weekly updates from CJ editors and reporters on issues of interest to North Carolinians should call 919-828-3876 and request a free subscription to Carolina Journal Weekly Report, delivered each weekend by fax and e-mail, or visit Carolina Journal.com on the World Wide Web. Those interested in education, higher education, or local government should also ask to receive new weekly e-letters covering these issues.

## Contents

### ON THE COVER

• In June, Charlotte voters overwhelmingly defeated a proposal to spend \$342 million to build a new coliseum for the Charlotte Hornets and supplement several local arts and cultural projects. The Charlotte vote represents a defining moment in the relationship between N.C. governments and major league sports teams. How did it happen, and what will it mean? *Page 1*

### NORTH CAROLINA

• The John Locke Foundation's arguments against continued state funding of the Global TransPark in Kinston have renewed debate on the project. *Page 4*

• A sales tax hike could cost North Carolina thousands of jobs, according to a study by the John Locke Foundation. *Page 5*

• Safety zealots finally won passage of a bill requiring children to wear bicycle helmets, but their record on gun control this session has been more mixed. *Page 5*

### EDUCATION

• Reading Recovery has found its way into North Carolina public schools despite evidence that it doesn't work. *Page 6*

• A federal program will provide some North Carolina schools with funds of up to \$100,000 to restructure themselves to improve performance. *Page 7*

• Paige Holland summarizes some positive results of private involvement in the public schools. *Page 7*

• Surplus federal computers are winding up in public school classrooms. *Page 8*

• N.C. public schools are finding that getting parents and the community involved in the schools is helping to close the racial achievement gap. *Page 9*

### HIGHER EDUCATION

• In the face of a lawsuit, the UNC Board of Governors voted to end rather than defend a quota-based selection policy. *Page 10*

• Microsoft ruling pleases N.C. State University economist. *Page 10*

• North Carolina research universities rank among the nation's elite. *Page 11*

• George Leef says state university budgets need more scrutiny. *Page 11*

• Technology aids cheaters and those who want to catch them. *Page 12*

• A U.S. Supreme Court ruling could have a major impact on Title IX implementation on college campuses. *Page 13*

• Another U.S. Supreme Court ruling hurts the cause of race-based preferences in campus admissions. *Page 13*

### LOCAL GOVERNMENT

• The Town of Davidson imposes a harsh land-use policy in an area where residents cannot fight back. *Page 14*

• Counties and cities across North Carolina are raising taxes and fees. *Page 15*

• In some cases, growth pays for itself, say some studies. *Page 16*

• One on one with Pamlico County Commissioner Christine Mele. *Page 16*

• Convention centers, annexation, and property theft concern residents across North Carolina. *Page 17*

### THE LEARNING CURVE

• Roy Cordato argues that the Baby Boomer generation has always been self-centered and has never really cared for individual liberty. *Page 18*

• Reviews of *Polk's Folly* by William Polk and the new Steven Spielberg film, *A.I.* *Page 19*

### OPINION

• Editorials on standardized testing and redistricting. *Page 20*

• Editorials on beach renourishment and the Charlotte Hornets. *Page 21*

• Andrew Cline says that Gov. Mike Easley is playing reverse Robin Hood. *Page 22*

• Michael Walden looks at property tax collection in North Carolina. *Page 23*

• Marc Rotterman says a new visitor's center at the U.S. Capitol is overdue. *Page 23*

### PARTING SHOT

• Politicians unveil a new version of the Ten Commandments. *Page 24*

## Calendar

### Undersecretary of Education To Speak In September

The John Locke Foundation's Headliner speaker series is taking a hiatus for the month of August. But look for Foundation's events to start back up in September. That's when the staff will undertake its biannual regional meetings tour, during which we hold events in towns and cities across the state. This fall's topic, as always, will be public education.

• Following the regional meetings tour in October will be the Pope Center for Higher Education Policy's annual Higher Education Conference. This year's conference will feature Dr. Eugene W. Hickock, the Undersecretary-designate for the U.S. Department of Education.

Dr. Hickock is former education secretary for the state of Pennsylvania, a post he held since 1995.

For the 15 years before that he taught political science at Dickinson College in Carlisle, Penn.

The conference will be held Oct. 20 at the North Raleigh Hilton. For more information, call (919) 828-3876.

### Locke Lines

The John Locke Foundation publishes a monthly audio magazine called *Locke Lines* that features speeches made at Locke events that month.

*Locke Lines* includes Locke Headliner speeches as well as Shaftesbury Society speeches and commentary by Locke staff.

The June issue of *Locke Lines* includes the following:

• A speech by Duke University professor Dr. Helen Ladd on the impact of housing vouchers on educational outcomes. Dr.

### Dr. Eugene W. Hickock

Ladd is director of graduate studies in public policy at Duke and has spent years studying the connection between public housing and educational outcomes. In her speech she discusses the possibility of improving student performance by moving children out of bad neighborhoods.

• A speech by Jerry Jordan, president of the Federal Reserve Bank of Cleveland, on Fed policy. Jordan helps set the Fed's monetary policy. He worked in numerous private banks as well as in academia before joining the Fed.

• A speech by Duke University professor Dr. Thomas Nechyba on school choice. Nechyba's research on school choice has led him to believe that providing scholarships to low-income children that would allow them to attend private schools would increase both educational quality and residential integration.

To subscribe, call Kory Swanson at (919) 828-3876.

### Shaftesbury Society

Each Monday at noon, the John Locke Foundation plays host to the *Shaftesbury Society*, a group of civic-minded individuals who meet over lunch to discuss the issues of the day.

The meetings are held at the Locke Foundation offices in downtown Raleigh at 200 W. Morgan Street, Suite 200.

The Shaftesbury Society is taking a summer hiatus and will resume meetings this fall. If you'd like to suggest a speaker for Shaftesbury, or if you'd like to join us, call Kory Swanson for details.

For more information on these or other Locke Foundation topics, or to R.S.V.P for a Shaftesbury lunch, call 919-828-3876 or email events@JohnLocke.org.

### Carolina Journal in Your Library

We at *Carolina Journal* often are asked where one can find copies of the newspaper. *Carolina Journal* is available by subscription only, or by picking up a copy at a Locke Foundation event, your local public library, or the Foundation offices in downtown Raleigh.

If your local public library does not carry *Carolina Journal*, ask them to subscribe. We provide the *Journal* for free as a public service, so the subscription will cost them nothing.

Many libraries across the state now stock *Carolina Journal*, though they may not display it prominently in their periodicals section. If you don't see it, ask for it. If they don't have it, they can get it for free by calling us at (919) 828-3876 or emailing kswanson@johnlocke.org.

## Sports Subsidies Losing Popularity

Continued From Page 1

part of leadership was part of the problem in the defeat. The reason the people could not understand the proposal was because the Charlotte leadership wanted it that way," he said.

According to Puckett and others, proponents lumped six arts and cultural projects into the referendum to avoid a straight up or down vote on the arena itself because they knew the taxpayers would not fund the arena on its own merits.

"In part, this is because taxpayers do not want to fund corporations that have the means to fund such projects on their own. Therefore, if the public is incapable of understanding complex subject matter, and the supporters of the arena knew this, they have only themselves to blame," Puckett said.

Even though arena supporters outspent their opponents by more than 30 to 1, voters turned out in presidential-election-year proportions to vote down the measure overwhelmingly.

"We were dependent on the people for our campaign, not corporate giving like the arena proponents," Reid said.

The uptown arena proposal was a publicly funded deal, and the Hornet ownership wanted it that way. According to some city leaders, the Hornets refused any proposal that would have included a privately funded sports complex. Still, their sports counterparts — the Carolina Panthers football team — had a different approach which seems to have turned out more successfully.

The football stadium opened in 1996.

While the city did engage in a bit of public risk by buying the land for the team and providing highway infrastructure up-front, the team sprang for the construction of the \$125 million stadium. The public's share was approximately \$40 million. However, since the Panthers paid for the bulk of the project, the team had a genuine interest in remaining in Charlotte.

"If the Hornets wanted to be successful in getting an arena built, they should have pursued a more private alternative," Puckett said.

But the Hornets wanted the public to foot the bill for their new arena. To convince the public to underwrite such a huge expenditure, the team had to convince them that a new arena would be in their

own best interests. The Hornets never succeeded in doing this.

### Unconvincing Arguments

The Hornets and their boosters tried to show that throwing tax dollars at pro sports projects would produce significant economic benefits. But proponents were unable to buttress their claims with hard science.

Roger Noll, professor of economics at Stanford University, has written that "America is in the midst of a sports construction boom" but that sports teams, and the stadiums built for them, do not necessarily benefit local economies.

"In every case, the conclusions are the same," Noll wrote. "A new sports facility has an extremely small (perhaps even negative) effect on overall economic activity and employment."

The only way a stadium can spur eco-

economic growth is if it is a significant export industry. In other words, it must attract a lot of community outsiders. The Baltimore Orioles is the only team that attracts enough outsiders to have any impact on the local economy. But even that would disappear should the Washington Senators return.

Supporters of sports complexes often overstate the economic impact of sports facilities, economists say. Most spending inside the stadium simply substitutes for other local spending on such goods as movies and dining, said Noll and others.

"The claim that sporting facilities cause residents to spend more money in town than they would otherwise is harder to substantiate," wrote Adam Zaretsky, an economist with the Federal Reserve Bank of St. Louis.

"Evidence suggests that cities and metro areas that have invested heavily in sports stadiums and arenas have, on average, experienced slower income growth than those that have not," he found. The economic impact studies that accompany public proposals are often commissioned by a local chamber of commerce or those with a financial stake in the building of the facility. Furthermore, they employ "spurious economic techniques" to support their position, Zaretsky argued.

Independent studies demonstrate that there is not much newly generated income nor is there a net growth in jobs.

Lake Forest College economist Robert Baade confirmed Zaretsky's findings. In a study Baade conducted for the Heartland Institute in 1994, he found that in 48 metropolitan areas over a 30-year period only two cities showed a significant relationship between the presence of a sports team and real per-capita personal income growth.

Ronald Utt, a researcher at The Heritage Foundation, argues that the poor research found in economic impact reports is not just limited to the study of sports complexes but also extends to public projects

such as convention centers, concert halls, and museums.

Evidence suggests that the economic growth of cities and neighborhoods does not depend on the construction of these complexes, but on such amenities as good schools and crime control.

### A Statewide Impact

Charlotte was not the only city in North Carolina to pump tens of millions of dollars into a sports arena. In 1999, Raleigh's new Entertainment and Sports Arena opened its doors. The facility is used as a joint home for both the N.C. State University basketball team and the Carolina Hurricanes professional ice hockey team. The funding for the facility was a mix of state and local government funds as well as private funds from the Wolfpack Club (NCSU athletic boosters) and the Hurricanes.

Because the Entertainment and Sports Arena was designed to be the home court of N.C. State University's basketball teams, the project received state funds. Had a larger portion of its costs been borne by local government, and had the public been allowed to vote on its funding, the arena likely would have suffered the same fate as Charlotte's proposed downtown arena and the Triad's proposed baseball stadium.

In 1998 the General Assembly authorized citizens in Forsyth and Guilford counties to vote on a plan for \$140 million in public financing for a major league baseball stadium to be built in the Triad. The proposal was rejected with 59 percent of the vote against it. To sway voters, the proponents spent \$300,000 on radio and TV spots while opponents had a total budget of only \$26,000.

Because N.C. voters so clearly oppose tax funding for major league sports arenas, the question is whether cities will stop pursuing such funding or whether they will stop letting the public vote on it. *CJ*



Comm. Jim Puckett

## NASCAR Mostly, Not Wholly, Private

Continued From Page 1

And of course the individual racing teams have sponsors. For example, driver Mark Martin is sponsored by the drug Viagra, and driver Rusty Wallace is sponsored by Miller Lite beer. And when the Charlotte Motor Speedway became the Lowe's (home improvement stores) Motor Speedway two years ago, an individual track acquired a sponsor.

Professional auto racing has seen rapid growth by any measurement, whether it is number of race attendees, television viewers, radio listeners, or the amount of dollars spent on the sport.

Because of the involvement of sponsors and the rapidly growing fan base, the team owners and track owners have been able to make their sport successful without asking for special taxpayer subsidies. Unfortunately, the mere existence of those subsidies has prompted owners to ask for them.

Two companies dominate the ownership of the 34 NASCAR tracks. Speedway Motorsports, Inc. based in Harrisburg, owns six tracks including the Lowe's Motor Speedway and the Texas Motor Speedway. Vice President for Development Wes Harris told *CJ* that the public funds are only used for a portion of the infrastructure around speedways, which would be true for any new shopping center or manufacturing facility.

Harris said that none of Speedway Motorsports' race tracks was publicly funded.

"In fact, new tracks have been a catalyst for economic development," he added pointing out that several new businesses have sprung up around the Texas Motor

Speedway since it opened in 1995.

However, further research by *CJ* revealed that upon completion, the Texas Motor Speedway was transferred to the tax-exempt Fort Worth Sports Authority, and thus the local government collects no property taxes on it.

International Speedway Corporation, based in Daytona, Fla., owns all or part of 12 tracks including the Daytona facility. They opened two new tracks this year — the Kansas Speedway and Chicagoland Speedway.

Company spokesman David Tally told *CJ* that the firm received no special public subsidies for the Chicagoland facility, but that public money was involved in the Kansas project.

### The Kansas Exception

The Kansas Speedway, located just west of Kansas City, opened in June. The total cost of the project was approximately \$300 million. About \$150 million came from state and local funds or bonds to be paid back with property and sales taxes.

The exact portion that would be considered a special subsidy for the speedway only is difficult to compute because much of it went for infrastructure — water, sewer, and roads that were either planned or improvements shared widely by the public.

But there is one obvious subsidy to the speedway. The State of Kansas gave the project a direct grant of \$6 million. Steve Kelly, Director of Business Development with the Kansas Department of Commerce and Housing, defended the subsidies.

"Some of the Kansas race fans were traveling to the speedway at Talladega,

Alabama to spend their money. This gives them an opportunity to see races here," he told *CJ*. Kelly also admitted that he had no way of knowing if the project would have proceeded without the public subsidies.

Another unique feature of the Kansas Speedway is that the local government threatened to use the power of eminent domain to acquire more than 100 homes that had to be destroyed to build the race track. However, according to Kelly, all of the homeowners eventually reached agreements so the condemnations by the government never took place.

Will the financing arrangement for the Kansas Speedway become the norm for future projects or was this an exception?

Only time will tell. NASCAR spokesman John Griffin told *CJ* that since the Winston Cup series is already running on 38 weekends a year, they probably cannot add many if any more weekends to the series.

But he did recognize that they may eventually have to deal with the issue of new tracks with large crowd capacities and great amenities competing with some of the smaller and older tracks. This year 12 tracks will hold two Winston Cup races.

The North Carolina Motor Speedway in Rockingham is one of those tracks. Although the track will not give out attendance records, it has a seating capacity of about 60,000, plus the infield. Will it eventually have to compete with the new, publicly subsidized 86,000-person Kansas Speedway which is hosting only one Winston Cup race this year? That's what a lot of people think.

### The Lure Of Easy Money

There have been rumors for the past five years that Rockingham may lose one of its two races to another track. A spokesperson for the Rockingham track would not

comment on the issue other than to say that NASCAR officials set the race dates and locations.

But since the same company, International Speedway Corp., owns both Rockingham and Kansas, a substitution of an additional race in higher-capacity Kansas for one in Rockingham might be acceptable. If this took place, Kansas taxpayers would be subsidizing a transfer of economic activity from North Carolina to Kansas.

This scenario may sound familiar. It takes place frequently in professional baseball, football, and hockey — and supposedly in the quest for new manufacturing plants and corporate headquarters, though no one has as yet proven that corporate subsidies have a significant impact on corporate relocation decisions.

NASCAR grew great and strong without public subsidies. Now that those subsidies are creeping into the sport, NASCAR track owners have a new sponsor — state governments. If the Kansas project becomes the norm, and future tracks command large public subsidies, many taxpayers will become NASCAR supporters, though not necessarily NASCAR fans.

This could present public relations problems for the sport, which so far has an untarnished reputation. As taxpayers across the country fume about "spoiled, rich" athletes and "greedy owners" who drive BMWs while asking for government subsidies of their sports arenas, NASCAR's entirely private financing has allowed auto racing to avoid this public derision.

But that may be a thing of the past if more tracks seek and receive public funding. Judging by the trouncing that public arena subsidies have had at the polls in recent years, we could be seeing the beginning of the end of NASCAR's ability to please nearly everyone while offending no one. *CJ*

## Around the State

- The N.C. Division of Soil and Water Conservation wants an additional \$18 million to expand the farm buyout program in eastern North Carolina's 100-year flood plain, the *Wilmington Morning-Star* reported in July. The program, begun after Hurricane Floyd, used state and federal funds to buy swine farms from farmers who operated in the floodplain. The state received 85 applications from farmers who wanted to be bought out—50 more than expected. The state was able to buy only 15 farms and now wants money to buy about 50 more. The \$18 million would come from both state and federal grants, with \$6 million coming from the state's Clean Water Management Trust Fund.

- In early July the Cary Town Council resoundingly defeated a proposal to nearly triple Mayor Glenn Lang's salary to \$60,000 and make him a full-time mayor. Like most North Carolina municipalities, Cary has a council-manager form of government in which a town manager runs the government on a daily basis and the council meets periodically to approve policy. The mayor is a member of the council. Lang was the only council member to vote for the raise.

- A developer in Franklin is planning to build a Mayberry-themed shopping center that will look like the fictional town portrayed in "The Andy Griffith Show," the *Winston-Salem Journal* has reported.

- Winston-Salem Mayor Jack Cavanaugh drew heat last week for traveling to Venice, Italy on taxpayer money to attend a liveable cities conference. The mayor's assistant told the *Winston-Salem Journal* that airfare for the trip cost \$1,165, conference registration cost \$530, and rooms at the hotel where the mayor was staying cost \$200 a night. This is Cavanaugh's second international trip in less than two months. The first was to Ghana to set up a sister-city program with Ghana's capital city, Accra. Cavanaugh has a travel budget of \$10,120. So far he's overspent this budget — with trips to New York City, Washington, D.C., and Indianapolis in addition to his foreign ventures — by \$3,501.

- Cavanaugh wasn't the only public official to land in hot water last week for the amount he spent on travel during a year when budgets were supposedly tight. Officials of the Wilmington Housing Authority spent \$25,000 on travel from January through March of last year despite having a \$75,000 deficit in their budget, the *Wilmington Morning-Star* has reported. A two-day conference in Cincinnati cost the agency \$9,274. Many of the trips were necessary so employees could be trained on new Department of Housing and Urban Development regulations, Housing Authority Chairman Lee Widdle told the paper.

# TransPark Controversy Returns

*Locke Ad Sparks Debate in Kinston and New Bern While N.C. Senate Looks to the Future*

By DON CARRINGTON  
Executive Editor

RALEIGH

The John Locke Foundation purchased half-page ads in the June 6 editions of the *Kinston Free Press* and the *New Bern Sun Journal* giving 10 reasons why the Global TransPark project in Kinston should be shuttered and its state funding transferred to more pressing needs, such as mental health programs.

The Locke Foundation has studied the project extensively since its inception. After the ads ran, the *Free Press* reported that GTP officials now claim to have some prospective tenants.

"Our goal in taking out the advertisements was to call public attention to this wasteful project," said John Hood, president of the Foundation. "We wanted to stimulate debate about the future of the GTP, and we certainly did so."

Meanwhile, the North Carolina Senate has initiated an exit strategy for the project. The 2001-03 budget bill passed by the Senate on May 31 contained two special provisions that dealt with the GTP. One required the Department of Transportation to study the transfer of the GTP's fixed assets and operations to another appropriate entity (presumably a new local airport authority). The second provision required the State Board of Community Colleges to study the transfer of the GTP Education and Training Center to an appropriate public educational entity.

The results of the studies are to be reported to the Joint Legislative Transportation Oversight Committee by December 15, 2001. The House has concurred with these provisions by putting them in its budget.

The text of the Locke Foundation's ad is reprinted nearby. The Foundation received many comments about the ads, two of which are printed below. CJ

## Letters in Response

Your organization managed to anger a number of people who might otherwise have been favorably inclined toward the John Locke Foundation. What worthy purpose was served by the half-page advertisement in the *Kinston Free Press* yesterday which opposed the Global TransPark under construction in Kinston? Certainly you understand that this project was not the brainchild of citizens of this community. It apparently originated in Chapel Hill and state leaders were convinced that it had merit.

A statewide search was made to find the best possible location for an airport that would serve industry by allowing raw materials to be flown in just as needed for manufacturing. This would save the expense of stocking raw materials. The finished products would be flown out to the consumer when the job was complete. This would save the cost of stocking an inventory of finished products. These two cost-saving ideas would help attract manufacturers to the neighborhood of the TransPark.

The time to criticize the concept was at the beginning, before the site was chosen and the airport was fitted for the project. It would have been altogether fitting and proper for the foundation to oppose the investment of state funds in the idea of a Global TransPark for North Carolina.

By printing your negative position in the *Free Press* at this time, your advertisement was considered mean, ugly, and to-

tally improper by those who have donated millions of dollars in the hope that the TransPark would succeed. As you know, there have been many delays, most of them because of environmental regulations. Work has begun on extending and strengthening the runways and putting infrastructure in place. The necessary roads are being planned and some are underway. The project is a long way from completion. One must not expect it to attract manufacturing plants until it is nearer completion.

Can you imagine how foolish it would be for me to criticize a bridge as being unfit for vehicular traffic before it was completed and declared safe? To recommend that it should not be built after it was half-finished is a bit too late. Now that the TransPark is being constructed, let's wait and see if the concept of just-in-time manufacturing is valid. So much good is done by the John Locke Foundation that it is sad to see the harm that is being done to its reputation by the unwise and untimely publication of these advertisements.

Bruce Petteway  
Kinston

It is interesting that your "paid article" made the middle of the first section and the "free" article on a "proposal" for the GTP made headlines and top center front page?

It's not interesting, it's predicable. Saturday's article in the *Free Press* is in direct response and contradiction to your advertisement on June 6th. Unless you come back with something else, GTP gets another win — [and] you, big zero.

Your advertisement must be accurate and carefully worded to preclude legal ramifications. However, the GTP officials, like politicians, can make statements of all kinds and varieties without concern for validity or accountability. The young pup

## What's deader than Elvis? - The Global TransPark

Ten reasons to end the GTP Authority now:

1. After 10 years of searching the entire planet, GTP officials have not produced any tenants that conform to the original concept as a manufacturing location.
2. The project and affiliated endeavors have consumed over \$200 million in taxpayers' money that could have been spent on improving roads, highways, and other transportation needs.
3. State government officials never did a feasibility study on the concept or a Kinston location.
4. The GTP has nothing in common with the Research Triangle Park. It has been compared to Soul City, the failed 1970's government planned community in Warren County.
5. There was no shipping problem to solve. No businesses reported a problem getting their products to anywhere in the world.
6. State government has never been in the business of operating airports. Airports are local responsibilities and should be managed by local airport authorities.
7. The state of North Carolina should not try to direct private economic activity to selected localities. This practice is unfair to other communities and businesses across the state.
8. There are more important uses for public funds, such as taking care of the mentally ill.
9. A local airport authority is perfectly capable of operating the facility as an airport with nearby industrial sites.
10. The project has become a national laughingstock. It was even featured on NBC television's "Fleecing of America" series.

Paid for by the John Locke Foundation.

reporter who posted this article laps up this supposed news just as a puppy will lap up an offering of milk. She doesn't ask for too many details and doesn't go back to her sources at some point in time and ask why the great negotiations haven't produced any tangible results.

This type of news has been published before, companies haven't come and no one has been able to require accountability. GTP excuses are that negotiations take time, are delicate, published information about the proposals will spoil the deal, etc. How much time does it take and how much money will it require? There should be a finite time period set for tangible, measurable results! There are some promising signs that the General Assembly may be tiring of throwing money into this bottomless pit. Show some results or stop funding the GTP.

Guerrilla tactics against the GTP have not worked and will not work in the future. There are county and state politics to overcome. A massive, coordinated campaign is required to stop this absurdity. As you are aware there are some individuals and an occasional organization like yours who try to be a voice of reason against the GTP. So far, all anyone or any organization has done is make noise. As soon as the noise is gone, the purpose or the cause of the noise is gone also. Your advertisement and the GTP headlines have gone under the dog and the majority don't care enough to write or call to make a difference.

However, a difference can be made through a massive, coordinated campaign. Get all the factions together as a whole. Your organization could do it! Will you? Will you monitor this GTP debacle and ask for accountability? Will you hold a rally in opposition to the GTP. I will come, I will help, I will donate some money, and so will a lot of people I know.

Richard L. Williams  
Kinston

*Hike could further strain weakening economy*

## Sales Tax Increase Could Cost N.C. Thousands of Jobs

By DON CARRINGTON  
Executive Editor

RALEIGH  
A preliminary analysis of legislative proposals to raise state or local sales taxes suggests that it could cost more than 20,000 North Carolinians their jobs and hinder the state's economic recovery.

In a Spotlight briefing paper released July 11 at a legislative press conference, John Locke Foundation President John Hood used published studies in Texas, Ohio, and California to estimate the likely relationship between changes in sales tax rates and employment in North Carolina.

Hood projected that a proposed half-penny increase in the local sales tax — most of which would be recouped for states spending by simultaneously eliminating current tax reimbursements to local governments — would generate about \$395 million in revenues next year if the tax hike had no economic impact.

But such a large increase in taxes would impact the behavior of businesses and households, Hood said, based on historical experience and econometric models developed in other states. He projected that the half-penny hike would likely result in the net loss of between 20,000 and 26,000 jobs in North Carolina, many of them in the retail and service sectors. This would raise the state's already escalating unemployment rate by between .5 percent and .7 percent

and result in lower-than-expected gains in revenue availability, since a rise in unemployment would increase some state expenditures and reduce income tax collections.

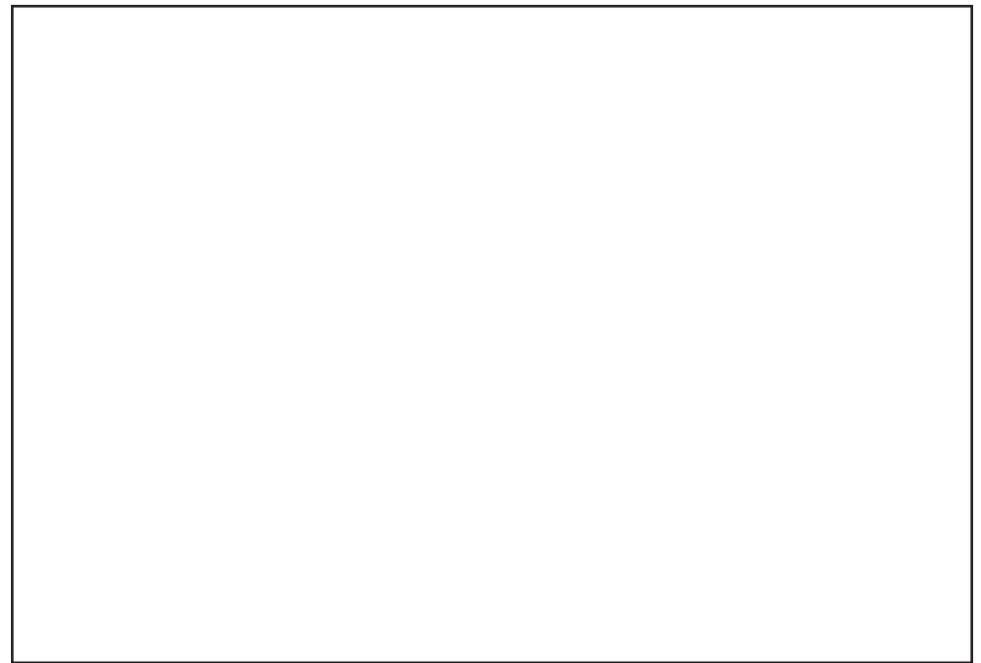
Moreover, Gov. Mike Easley, Senate leaders, and some special-interest lobbies have endorsed an additional half-penny state sales tax hike, which would bring the total fiscal impact to nearly \$800 million.

Hood projected that such a massive tax hike could cost between 40,000 and 52,000 jobs in North Carolina. Since December, more than 50,000 North Carolinians have lost their jobs.

### *Lost Sales at the Border*

One reason why a sales tax increase could well cost thousands of North Carolinians their jobs is that it would leave the combined state and local rate significantly higher than in bordering counties in Virginia (where the rate is only 4.5 percent) and South Carolina (where the rates range from 5 to 6 percent). "North Carolina would suffer some cross-border sales as a result, reducing income and employment and cutting expected revenue collections," he wrote.

"Rather than seeking ways to promote growth, such as cutting marginal tax rates or reducing regulations, these politicians seem concerned only about how the economy will affect the government's income," Hood said.



He added that a recent study by the North Carolina Budget & Tax Center, a left-leaning think tank, found that the proposed sales tax increase would disproportionately impact lower-income North Carolinians who spend a higher proportion of their annual incomes.

He said other disadvantages to raising the sales tax include:

- Volatility. Sales tax collections are less reliable than income or property tax collections, making it harder for governments to make solid revenue forecasts.

- Deductibility. Unlike income and property taxes, sales taxes cannot be deducted on one's federal income tax returns. For the one-third of North Carolinians who itemize, this represents a substantial difference in federal taxes paid.

- Accountability. Unlike income and

property taxes, sales taxes do not provide citizens with appropriation information with which to hold public officials accountable for their fiscal policy decisions. Taxpayers know how much they pay in income and property taxes each year, while sales taxes remain untallied.

Furthermore, a proposed local-option sales/tax reimbursement swap would hide a state tax increase from voters by letting legislators say they only voted for local control and letting local officials say they raise taxes only because the state was cutting their reimbursements.

Hood recommended that instead of raising state or local sales taxes, the General Assembly find additional budget savings and alleviate fiscal pressure on counties by reducing their funding responsibility for Medicaid.

CF

## Regulation Advocates Prevail On Bike Helmets, Gun Shows

By ANDREW CLINE  
Managing Editor

RALEIGH  
Safety zealots achieved two long-sought victories in late June as the Senate approved bills requiring children to wear bicycle helmets and restricting gun sales at gun shows.

Come October 1, children under the age of 16 may no longer ride bicycles on public roads in North Carolina unless they are wearing a properly fitted bicycle helmet. That law was passed by the Senate and on June 27 and later signed by Gov. Mike Easley under pressure from child-safety lobbyists.

The provisions were contained in House Bill 63, introduced by Rep. Mary McAllister, D-Cumberland. Five years in the making, the bill outlaws what supporters called unsafe bicycle riding by children.

The law, which had already been approved by the House, reads in part:

"With regard to any bicycle used on a public roadway, public bicycle path, or other public right-of-way: (a) It shall be unlawful for any parent or legal guardian of a person below the age of 16 to knowingly permit that person to operate or be a passenger on a bicycle unless at all times when the person is so engaged he or she wears a protective bicycle helmet of good fit fastened securely upon the head with the straps of the helmet.

"(b) It shall be unlawful for any parent or legal guardian of a person below the age of 16 to knowingly permit that person to be a passenger on a bicycle unless all of the following conditions are met: (1) The per-

son is able to maintain an erect, seated position on the bicycle. (2) Except as provided in subdivision (3) of this subsection, the person is properly seated alone on a saddle seat (as on a tandem bicycle)."

Parents who are found to have violated the new law will be subject to a civil fine of up to \$10.

### *Mixed Message on Guns*

Also approved on June 27 was Senate Bill 680, introduced by Sen. Fountain Odom, D-Mecklenburg. The bill lumped two separate gun bills into one. The first would prohibit local governments from suing gun manufacturers and reserve that right for the state attorney general only. The second would regulate gun sales at gun shows.

It would require gun show promoters, as well as anyone who sells a gun at a gun show, to first obtain the proper permit. Promoters would have to request a permit from the local sheriff at least six months before the gun show is to take place and pay a \$100 permit fee.

Anyone who displays, sells, "or otherwise transfers a firearm to another person at a gun show" would have to obtain a gun dealer permit. Displaying a firearm would be allowed without a permit, provided the gun is sold or exchanged through a licensed dealer.

Violation of these provisions would be considered a Class 1 misdemeanor.

The bill was sent to the House after approval and was referred to the House Judiciary III Committee

CF

# Advertisement

## School Reform Briefs

## \$250,000 for Computers

The BellSouth Foundation has selected Mary Scroggs Elementary School in Chapel Hill to receive a \$250,000 Power to Learn technology grant. The grant will provide computers and Internet access in students' homes.

Scroggs started a pilot project when it opened in 1999 to ensure computers were available to students outside of the classroom. The pilot included loaning computers to first graders and providing training sessions for families.

With the additional financial resources, the pilot can expand to offer more Internet access and more staff for the school's technology department.

"I think it's definitely helped them in all areas, just being able to access technology," said Julie Crawford, a first grade teacher at Scroggs. Reported by *The News & Observer*.

## Minorities Losing Ground

Although many counties are reporting increases on the state writing test this year, Orange County has voiced its concern about an overall decline in the proficiency levels for black students.

District officials are concerned about the decline in writing scores for fourth- and seventh-grade black students. This year close to 53 percent of black seventh graders scored proficiently. This was down from 59 percent the previous year.

In the meantime, white students in Orange County made significant gains in writing. Nearly 80 percent of white seventh-graders were at grade level.

"The distance between the academic achievement levels of our majority and minority students on this particular test is not what we want it to be," said Superintendent Randy Bridges. "However, we must continue to focus much attention on the best practices to close the gap." Reported by *The News & Observer*.

## Wake Goofed On Scores

After reviewing the Iowa Test of Basic Skills scores from previous years, Wake County school officials noticed an obvious error in this past year's test scores.

Officials said they used the wrong method to calculate the scores of 7,654 Wake third-graders. The correct method is now being used to generate more accurate scores.

The Iowa Test is used by Wake County to determine which students are eligible for the Academically Gifted Program. Using the correct mathematical method, scores are expected to drop an average of 3 percentile points.

School officials estimated that 167 students scored above the 90th percentile under the wrong method, therefore incorrectly qualifying for the Academically Gifted Program.

Only after public pressure did school officials decide to correct their mistake and drop the wrongly admitted students from the program.

## Reading Recovery Rethought

## Critics Say Program Downplays Phonics and Fails Struggling Students

By SHERRI JOYNER

Assistant Editor

RALEIGH

Reading Recovery, a program that has gained national attention, made its way 11 years ago into North Carolina's schools. Around 40 N.C. districts currently implement the reading program, which critics have compared to the proverbial \$600 toilet seat.

But supporters of Reading Recovery suggest that it is the best prevention tool for students performing at the bottom of the class.

"Reading Recovery begins with the lowest-achieving first graders — the students who are not catching on to the complex set of concepts that make reading and writing possible," stated the Reading Recovery Council of North America. The Council claimed in a release last year that 82 percent of students who went through the program from 1984 to 1999 successfully completed the program.

To complete the program successfully, children must be able to read at the same level as their classmates. Many critics have cited this as a fault because the program fails to bring the students to a standardized level, such as grade level.

Bonnie Grossen and Gail Coulter of the University of Oregon and Barbara Ruggles of Beacon Hill Elementary in Park Forest, Illinois wrote in *Reading Recovery: An Evaluation of Benefits and Costs* that the average level of reading performance for many children in low-income areas is around the 20th percentile.

"Successful does not mean the children are readers. Successful is defined as being able to read text-level measures at the average level of the child's class," they wrote.

In a 1996 experiment in Columbus, Ohio, "only 14.7 percent of children who completed the program reached national norms, and 81 percent of those completing the program still remained eligible for Title I services," the authors wrote.

The Reading Recovery Council responded that they kept the standard at the average class performance because they wanted Reading Recovery children to be able to participate fully in classroom instruction, "which in a large class of children must be pitched to the average."

Grossen, Coulter, and Ruggins also suggest that the results reported by the Council are flawed because they fail to include the eligible children who were never served and other children who do not finish the program for various reasons.

After critics charged that far fewer stu-

dents benefited from Reading Recovery than reported, the Council changed its position. It is now reporting that only 58.8 percent of children served through the program reach the average level of their classmates.

Regardless of these data, the council contends that Reading Recovery is the best "first net" for low-achieving students no matter whether there is a less than 100 percent success rate. They claimed that they saved school systems money by educating children who would have simply been referred to special education.

Noel Jones, a professor at the UNC-Wilmington Watson School of Education, reiterated the point that the program is saving schools money. He reported that most students would be referred to special education if this program weren't around. He estimated that Reading Recovery costs a minimum of \$3,500 per student, whereas special education would cost much more than \$10,000 per student.

The reading program is actually far more expensive, often exceeding \$5,000 per student for various reasons. First, the teachers are required to participate in a intensive, yearlong teacher education program. Afterwards, they are required to attend monthly professional development seminars.

On top of these costs, Reading Recovery teachers generally work with only four to five student at time, teaching each student individually over 12 to 20 weeks.

## The Great Debate

Critics say the costs associated with the program are too much to pay for a program that doesn't work. Reading Recovery teaches children to rely on context or pictures if they have a hard time recognizing a word. Using a similar word in place of the word written is also accepted. For example, if they see the word "pony," they could replace it with the word "horse." The overall ability to hear and sound out words is largely absent from Reading Recovery.

Supporters of Reading Recovery do not consider whether another program could serve students better and at a much lower cost, said Rep. Fern Shubert (R-Union).

"The people who believe in Reading Recovery are the same people who don't want to hear about proven methods, such as phonics," she said.

"It is a tragedy that only one in three fourth graders in North Carolina can read at grade level because programs like Reading Recovery fail to teach students how to decode words," Shubert said.

In fact, support behind phonemic

awareness is very strong. In 1910, the U.S. Bureau of Education reported that only 2.2 percent of school children between the ages of 10 and 14 were illiterate. From colonial times to the latter part of the 19th century, reading instruction consisted of simple phonics. Millions of Americans used Webster's *Blue Backed Speller*, a simple phonics book that sold more than 24 million copies, second only to the Bible.

Scores of studies have been conducted over the last century that conclude that phonics instruction is more effective than other reading instruction techniques — such as whole language or picture recognition — for all students, including low performers.

For example, a study in Peoria Unified School District in Arizona in 1985 compared a phonics-based language arts program with the district's whole-word program. By the end of one year, the phonics schools were performing between the upper 80th to 90th percentile, while the other schools which kept the whole language approach remained at or below the 50th percentile.

But Noel Jones of UNC-Wilmington said that while phonics may be the key for some students, other students, especially low-performing children, cannot make the connection between the learning sequences used in phonics programs.

"The lowest-performing children have trouble filling in the gaps. Reading Recovery asks the children to start with words they know," Jones said.

Columbus, Ohio is home to the national headquarters of Reading Recovery and one the first school systems in the nation to implement the program (in 1984). It has now thrown out the program. In 1995, a study commissioned by the Ohio State Board of Education found that while Reading Recovery students showed initial gains, those gains were not maintained at the end of the second grade.

Even more surprising, in 1999 Columbus Public Schools hired Sylvan to train teachers to use phonics-based methods after children in the district were falling behind in reading. The schools offered Reading Recovery before switching to Sylvan.

## So What About North Carolina?

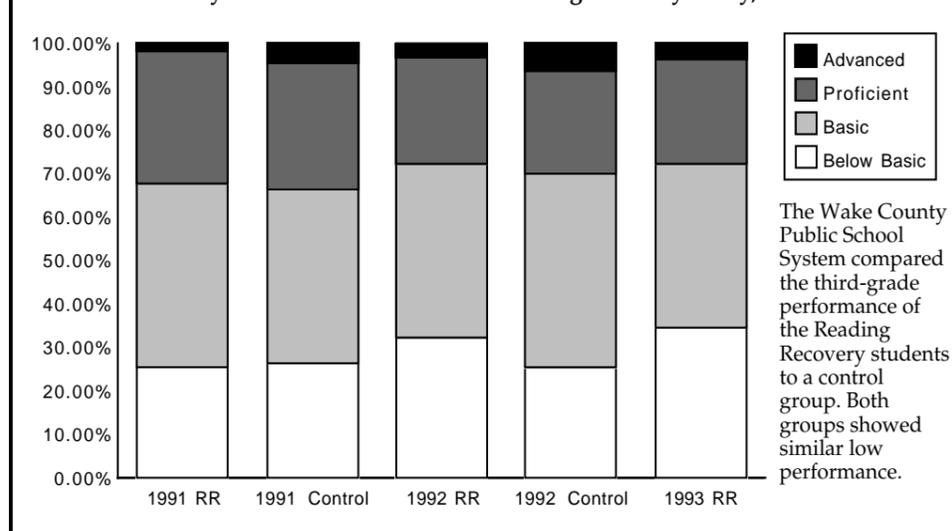
Some districts in North Carolina may be having success with Reading Recovery. Noel Jones reports that in Beaufort County, more than 80 percent of students served through Reading Recovery performed at grade level on end-of-grade tests. But other studies are showing much more discouraging results.

In the 1990-1992 school year, Wake County became the first school district in North Carolina to implement Reading Recovery. But by 1995 the county began to scale back the program. A study from the district revealed that Reading Recovery students "were just as likely as the control group to be retained, placed in special education, or served by federal programs for poorly performing students one year later."

Furthermore, Reading Recovery doesn't follow North Carolina law because it is not a systematic phonics-based program.

A law approved in the 1995 legislative session states that the State Board of Education should develop a plan to improve reading achievement. The plan was required to be "based on reading instructional practices for which there is strong evidence of effectiveness in existing empirical scientific research... therefore these programs should include early and systematic phonics instruction." CJ

Wake County End-of-Grade Results for Reading Recovery Study, 1990 to 1993



Evaluation data from the Wake County study state that the program not only failed to teach two-thirds of the children to read, but also cost the district approximately \$8,800 per student.

*Pitt's Pactolus Elementary Shows Improvement*

# Federal Funds Assist 66 Schools To Test School Reform Ideas

By HANSMARC HURD

Editorial Intern

RALEIGH

Sixty-six schools in North Carolina will receive federal funding of up to \$100,000 to remodel their schools this upcoming school year underneath the umbrella of a program called Comprehensive School Reform Demonstration (CSR).

According to Bill McGrady, Section Chief for Compensatory Education at the Department of Public Instruction, "the intent (of the program) is to provide support for schools that want to make comprehensive change in what goes on in the school. Only schools that are making substantial change in structure, like how the school operates, curriculum, parental involvement, and other major changes, are eligible."

In North Carolina roughly \$4 million this year will go to schools making these changes. Although more than half of the money comes from CSR, roughly \$2 million of it will come from Goals 2000 funding.

The CSR Program was designed in 1998 to provide financial incentives for schools to implement comprehensive reform programs that are based on reliable research and effective practices. It also is to include an emphasis on academics and parental involvement.

School administrators must choose from a list of reforms created by the Northwest Regional Educational Laboratory and the National Clearinghouse for Comprehensive School Reform.

Recommended reforms are offered from a variety of models including Community Learning Centers, Reading Recovery, Direct Instruction, Success for All, and many others.

## Success at Pactolus

Located in Pitt County, Pactolus Elementary is one school scheduled to receive \$50,000 for the 2001-2002 school year from the CSR program. Entering into its third year, Pactolus is beginning to see improvements and is recognized as one of North Carolina's "promising sites."

Pactolus Elementary began its reform efforts in the 1999-2000 school year with a program called Literacy Collaborative (LC), developed by academics at Ohio State University.

Literacy Collaborative, originally known as the Early Literacy Learning Initiative, originated in 1986 as a cooperation between staff members from Ohio State University, Reading Recovery, and classroom teachers in the Columbus Public Schools.

This collaboration resulted in the development of a framework for literacy lessons and a model for staff development led by a school-based literacy coordinator. The goal is to increase literacy achievement for all students and to ensure that every child attains successful literacy levels by the end of second grade. The program has been implemented in 535 schools in 27 states to date.

The Literacy Coordinators receive six weeks of training at Ohio State University, which they then turn into a yearlong professional development course for the primary grade staff in what Carla Frinsko, Pactolus Elementary's principal, described as an "intensive staff development program that really teaches teachers how to individualize reading instruction."

The Literacy Collaborative study and book room is another example of the difference in approach to literacy education. One half of the room is organized for LC guided meetings, while the other half houses the substantial collection of leveled texts and books that are used in the various components of reading workshops.

"The creation of small study circles of teachers coupled with a site-based literacy coach has led to a significant shift in teacher thinking," according to Frinsko. "Teachers now support one another and focus on instructional strategies for improvement instead of blaming students and lack of parental involvement as reasons for failure."

In addition, teachers forgo the traditional textbook and worksheet approach, adopting instead a variety of books for reading.

"We used leveled texts instead of textbooks, and the teachers do daily guided reading groups, shared reading, read aloud to children, and many different types of independent reading," Frinsko said.

Each class has a minimum of 120 minutes each day devoted to literacy instruction.

To measure the effectiveness of the initiative, teachers assess students' literacy skills at the beginning and end of each year. In addition, third-through-fifth grade students' math and literary skills are assessed midyear with the North Carolina mock end-of-grade tests.

After assessing the individual level of the students, teachers develop tailored instructional programs to meet individual student needs.

"Primary classrooms are now settings for authentic continuous progress from kindergarten to second grade, instead of the fragmented 'begin again' approach that was in place prior to the initiative," Frinsko said.

"Already we have seen the text level of... average first grade students increase from a text level of five in December 1997 to a text level of seven in December 2000. This means that the number of students requiring intensive assistance is dropping."

## Impact on Math Performance

Even with no change in math curricula, the schools showed dramatic improvements after only one year. Frinsko attributed the improvement to the increase in student's reading ability.

"Once the reading ability of these students improved, their ability to read and understand math problems also improved."

The school's achievement was accomplished despite the fact that approximately 50 percent of the Pactolus students had to live in temporary shelters for much of the 1999-2000 academic year due to flooding from Hurricane Floyd.

But the program is doing more than just helping the students. The Collaborative Learning Initiative has also improved the morale of the teachers at Pactolus Elementary.

The number of staff members requesting a transfer to another school has dropped by 50 percent since the program's initiation.

The Annual Survey of School Climate also shows positive effects. The results indicate that the percentage of teachers who think instruction is effective has increased from 78 percent in 1998 to 94.2 percent in 2000.

And more teachers feel the environment is supportive. CJ

# Private Positive Impact

Often when we think about private sector involvement in education we recall companies donating used equipment, sponsoring awards dinners, and buying raffle tickets. But private-sector impact will be limited unless companies begin to use the power of their industry niche creatively. Four recent examples of corporate commitment to education come to mind.

PowerUp, a brainchild of America Online CEO Steve Case, was established to bridge the digital divide and meet the needs of young people. The tremendous technology and communication vehicles united by the AOL Time Warner merger have been channeled through PowerUp to create an efficient learning environment with the purpose of shrinking the achievement gap. Case brought together powerful partners in his efforts, including Gateway, Cisco Systems, Hewlett-Packard, Communities In Schools, Boys and Girls Clubs, and the YMCA.

PowerUp supporter Ted Waitt, Chairman and CEO of Gateway, said it best. "The gap between the Internet haves and have-nots is widening along racial, economic and geographic lines, and we absolutely, positively cannot afford another divide in this country," he said. "We can pull together. Nothing is more important in our lives and in the future of our communities than ensuring all of our children have access to the tools and information they need to get ahead, and stay ahead."

Another technology giant has stepped up its commitment to education. IBM recently announced an additional \$25 million worth of resources to expand access to its Reinventing Education program. An independent study recently found that IBM's seven-year, \$45 million effort to strengthen K-12 public school education has resulted in significant gains in student achievement. The new funds will be used to support teacher-training colleges that work in partnership with school districts to develop new, more effective ways to equip teachers. The program currently affects more than 10 million K-12 school children across 21 school districts in Australia, Brazil, Ireland, Italy, Mexico, Singapore, the United Kingdom, the United States, and Vietnam.

North Carolina is not without its own private sector heroes. Recently two North Carolina companies, Regency Development Corporation and the Carolina Hur-

ricanes, committed tremendous resources to support education. Of the many challenges Carolina Hurricanes president Jim Cain faced when he took over the reins of the fledgling North Carolina hockey team 18 months ago, the lack of community involvement and lackluster season ticket sales were paramount.

Undaunted, Cain enlisted the community's help and promised to give back big in return. With the community's aid, Cain successfully met the Hurricanes goal and made good on his promise by announcing that the Hurricanes would invest \$1 million dollars in North Carolina. Cain directed the bulk of the funds to support educational programs that help close the achievement gap and provide at-risk youth a chance to succeed. Jim Cain knows it is good business to invest in education.

Gordon Blackwell is another businessman who understands the value of community investments. Blackwell, Regency Development Corporation's founder and president, has been the inspiration behind Regency's commitment to affordable housing for more than 25 years.

Recently Regency has entered into a powerful partnership with Communities In Schools of America, the nation's leading nonprofit organization helping kids succeed in school and prepare for life.

Based on the successful North Carolina Community Learning Center model and in response to the President's call to "Leave No Child Behind," Regency has agreed to construct Community Learning Centers in their current and future low-income housing developments.

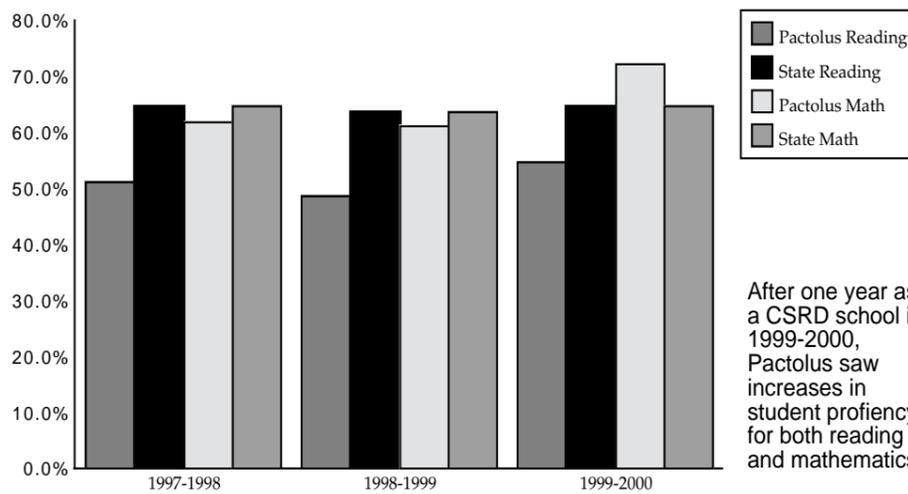
As we look for solutions to our most pressing educational needs, we need to showcase these examples of private sector impact and encourage other companies and individuals to emulate their success. At the same time, our education leaders must encourage their teams to reach out to the community and be open to partnerships that will further the education of our children. CJ

Holland is director of the North Carolina Education Alliance.



Paige Holland

Percent of Students Proficient on End-of-Grade Testing



After one year as a CSR school in 1999-2000, Pactolus saw increases in student proficiency for both reading and mathematics.

## School Reform News From Across the Nation

## Money Doesn't Boost Scores

Kansas City urban schools garnered a lot of attention lately for failing to improve test performance despite 15 years of effort and \$2 billion in spending.

By court order, the Kansas City School District was able to go on an all-out spending spree to integrate the city's schools. Funded mostly by local taxpayers, the extra money provided for luxuries ranging from a planetarium to a recording studio to a 100-acre farm. At Central High School there were some rather exciting goodies including 900 top-of-the-line computers, an Olympic-size swimming pool with six diving boards, a padded wrestling room, a classical Greek theater, an eight-lane indoor track, and a gymnastics center.

But despite all the frills, the Kansas City district is doing such a poor job that last year it became the first big-city school district to lose its accreditation. In fact, its schools flunked every one of Missouri's 11 academic performance standards, and the school board is hiring its 20th superintendent in 30 years.

"Kansas City is a very, very sad story," said Gary Orfield, a Harvard University sociologist who has studied the district for many years. "They really can't show much of anything, though they spent \$2 billion."

But Bernard Taylor, Kansas City's newest superintendent, rejects the idea that his district is a financial failure or sinkhole.

"These schools do work," he said. "Their efforts may not be reflected in test scores."

Education officials are watching this year's performance closely. Poor test scores this year may mean the state will take over the district. Reported in *The Chicago Tribune*.

## Online Report Cards

Final grades come as no surprise to students at Belzar Middle School in Lawrence Township, Indiana. That's because these students and their parents have access to a computerized grade book on the Internet, a project known as Webgrades.

"Kids can go in there and see it and not wonder until report cards come out," said Rebecca J. Crum, an eighth-grade teacher at the Northeast-side school who spearheaded the project.

Students have responded positively to Webgrades. Eighth grader Amy Ali said she likes the online grades.

"I think what's best is if you need to know where you stand or pick up work, you can go there."

Amy added that many kids don't like the project because "their parents check and they get in trouble."

The program seems to work effectively between parents and teachers. Crum said she posts the grades on the Web and then waits.

"Then the kids or the parents respond by email," she said. "Matter of fact, I have lots of those."

Ami's mother, Carol Ali, supports the program. "Webgrades are the greatest thing that's come along since di-

rectly speaking with a teacher," she said. "It's a wonderful thing."

It's a break for parents who work late or in the evenings and can't reach a teacher and "can't ask the kid because he's off at soccer practice," Ali said.

If a parent also knows the child's PIN number, he or she can check to see if the student is missing any assignments or has been absent from class.

"It has been a tremendous success," said Tim Mankin, assistant principal at Belzar. "The community has fallen in love with it. The re-

sponse has been incredible." Reported in *The Indianapolis Star*.

## Religious Groups Gain Access

Last month, the U.S. Supreme Court ruled 6-3 that districts must give children's Bible clubs the same after-school access that other community groups receive.

The case took place after Milford School District in New York refused school facility access to the Good News Club.

"We find it quite clear that Milford engaged in viewpoint discrimination when it excluded the club from the after-school forum," Justice Clarence Thomas wrote in the majority opinion. The court also held that allowing religious groups into its "limited public forum" would not violate the First Amendment.

Supporters of religion in public schools hailed the decision while other groups expressed their concerns.

"We're concerned that children will get the impression that their houses of learning are now being transformed into houses of worship," said Jay Worona, general counsel of the New York State School Boards Association.

But Stuart J. Roth, a lawyer with the American Center for Law and Justice, said that "the court has now made it clear that there is no reason for excluding religious speakers from the marketplace of ideas."

As a result of the Court ruling, Milford District is considering closing its doors to all community groups. Reported in *Education Week*.

## Senate Raises Evolution Debate

A two-sentence amendment to the education bill pending in the U.S. Senate advises biology teachers to alert students to the disputes over biological evolution.

Supporters of the amendment say the bill only calls for openness in academics while critics say it singles out evolution unfairly.

"Where biological evolution is taught, the curriculum should help students to understand why this subject generates so much continuing controversy, and should prepare the students to be informed participants in public discussions," states the amendment.

The amendment was offered by Sen. Rick Santorum (R-Penn.), who said he supports the idea that good science education should distinguish between testable theories and religious claims. Reported in *The Washington Times*. CJ



## Program Finds Use For Old Equipment

## Federal Computers Recycled for Use in N.C. Public Schools

By RHETA BURTON

Editorial Intern

RALEIGH

The desire for computers in the classroom has dramatically increased in recent years. With that, organizations and programs are providing resources and financial support to help schools plug into the 21<sup>st</sup> century.

One of these groups is the federally chartered Computers for Learning (CFL). Last year the program provided 176,000 computers, printers, and other related equipment to classrooms across the nation.

CFL started in 1996, with an Executive Order (#12999) signed by then-President Bill Clinton, which was entitled, "Educational Technology: Ensuring opportunity for all children in the next century."

The program supplies schools with federal surplus computers and distributes them to schools based on their application on financial need. The surplus includes a variety of technological equipment, including IBMs, IBM-compatible PCs and Apple computers, along with peripheral equipment such as modems, printers, and software.

## Helping North Carolina's Schools

Several schools in North Carolina have benefited from CFL. Brawley Middle School in Halifax County received 15 computers in March. With as many as 92 percent of their students on the free or reduced-price lunch plan (based on 1999-2000 data), the school qualified to receive assistance from CFL. It also received five laser-jet printers and five bar guns to use in the library when scanning bar codes.

Margo Randolph, media coordinator for Brawley Middle, said she noticed a huge difference when the computers arrived.

"Having the computers here really helped the students on their computer skills," she said.

Randolph also said that she sees improvements in students' information retention rates from using the computers. Before they received them, Brawley had computers that were very much out of date. The new computers that they received had Pentium II processors.

Edgecombe County Schools have also benefited considerably from the CFL program. In 1999, Hurricane Floyd did millions of dollars worth of damage to Edgecombe County, especially in Tarboro, and destroyed two schools.

CFL heard about the damage and called Edgecombe County schools to tell them that they had computers ready and waiting for them.

"They contacted us in a time of crisis and offered us the computers that we needed," stated Diane LeFiles, director of Public Information for Edgecombe County Schools.

The school system received 78 computers that went to Bulluck Elementary, Roberson Elementary, Southwest Edgecombe High School and Tarboro High School.

LeFiles stated that more than 1,500 students lost everything in the floods. Combine that with being in an economically disadvantaged area, and the CFL program

was able to set in with surplus machines.

"We live in an economically depressed area, we are very rural. We want to be able to compete with other schools. CFL helped us with that," said LeFiles.

LeFiles said the schools had many computers before the flood hit, but some were out of date. She said that the computers they received were updated enough so that the students were able to compete with other schools aggressively.

"It's important for students to learn computer skills at an early age so they are able to compete with other students at a higher level," LeFiles said.

## The CFL Process

CFL, administered under the U.S. General Services Administration, receives hundreds of requests each year and tries to fulfill those needs when equipment is available.

For a school that meets the requirements, the

turnaround time from registration to delivery of computers ranges from a couple of weeks to a year depending on availability and need from the school.

Schools and educational nonprofit organizations can participate in the CFL program. A school is eligible if it is a public, private, parochial, or home school that serves pre-kindergarten through 12th grade.

Educational nonprofit organizations must serve pre-kindergarten through 12th grade, be tax-exempt under chapter 501 (c) of the U.S. tax code, and operate for the sole purpose of education. Schools also register over the CFL website.

To donate computers to schools, federal agencies use the website registration information and make a decision based on indication of need, whether the school is in an empowerment zone, the school's student-to-computer ratio, the number of computers the school already has, and the percentage of students on the free or reduced-priced lunch program.

Schools that are considered part of the Empowerment Zone/Enterprise Community receive special consideration in the CFL program. EZ/EC's were designated by the federal government as a way to encourage impoverished communities to become self-sustaining. In North Carolina, Edgecombe County was proclaimed to be an EZ/EC site.

Every federal agency has a property management office. The property management office then sees to it that its surplus computers are donated to schools. Usually the agency along with the CFL will look at a schools registration information and determine which schools will get computers. Federal agencies do not have to participate in the program but are encouraged to do so.

Computer equipment is donated from a wide variety of agencies but most of it is donated from the Department of Defense and from NASA.

Computers for Learning provides an opportunity for schools that are in need. The program not only saves local and state financial resources, it also provides many students with the technology that they need to "surf" through the 21<sup>st</sup> century.

For more information on CFL or to check whether the program has helped your community, go to the CFL website at <http://www.computers.fed.gov>. CJ

School Innovation Spotlight

# Northampton Schools Build Community to Close Gaps

By SHERRI JOYNER

Assistant Editor

RALEIGH

Closing the achievement gap between white and black students is a challenge that North Carolina and many other states face. State and district approaches have traditionally included various methods — additional funding, busing for desegregation, etc. — that haven't shown great success. But many schools are realizing that success can happen at the local level. The trick is to get the teachers excited and informed and the community involved.

Two schools in Northampton County are working exceptionally hard to change the image of their schools through community involvement. Garysburg Elementary and Gaston Middle, both with more than 90 percent black students, are well on their way to proving that all children can learn.

## Garysburg Elementary

Garysburg Elementary has had success increasing the scores of black students by incorporating school-wide strategies and crucial community resources.

Michael Applewhite, principal of Garysburg Elementary, said the school has a close-knit community that it has been able to use as a resource.

"We started a family reading night three years ago to encourage parents and volunteers to spend more time tutoring children and help students who need remediation. The parents come in one night a

week and take turns reading to the children, or the children read to them," he said.

More than one angle is being pursued by Garysburg educators and administrators attempting to boost performance at the school — a school where 98 percent of the students are black.

Fast feedback on tests was one key way to ensure that no child was left behind. Garysburg also allowed fourth graders to switch teachers for different subject areas.

"This allowed for teachers who had strengths in one particular area to teach it," Applewhite said. This one strategy seemed to have a large effect on the school's math scores, which improved 38 percent in five years.

Faye Young, school improvement officer at Garysburg also mentioned the

change in teacher involvement. "The school doesn't have a high turnover rate, so the teachers know year after year what to expect from each child and how to improve on their teaching."

Garysburg has seen some noteworthy success over the last seven years. In 1994, only 41 percent of students were reading at grade level and 44 percent of students were doing grade-level mathematics.

But things have turned to a more positive tune. Preliminary results for the 2000-2001 school year show that more than 68 percent of students are reading at grade level. And scores from 1999-2000 end-of-grade tests show that around 80 percent of students are performing at grade level in mathematics.

"We feel that a strong early educational foundation is the key to success in later years," said Young. "We strive to create an atmosphere where students can learn and where minds can be cultivated."

## Gaston Middle School

Garysburg is not alone in its drive for success through community outreach. Gaston Middle School in Northampton County has developed its own strategy by recruiting students from the JROTC program at the local high school to help low-performing students after school.

The program, called Operation Boot Strap, "has given our kids a lot of outside exposure while at the same time giving them remediation in those areas where they need the most

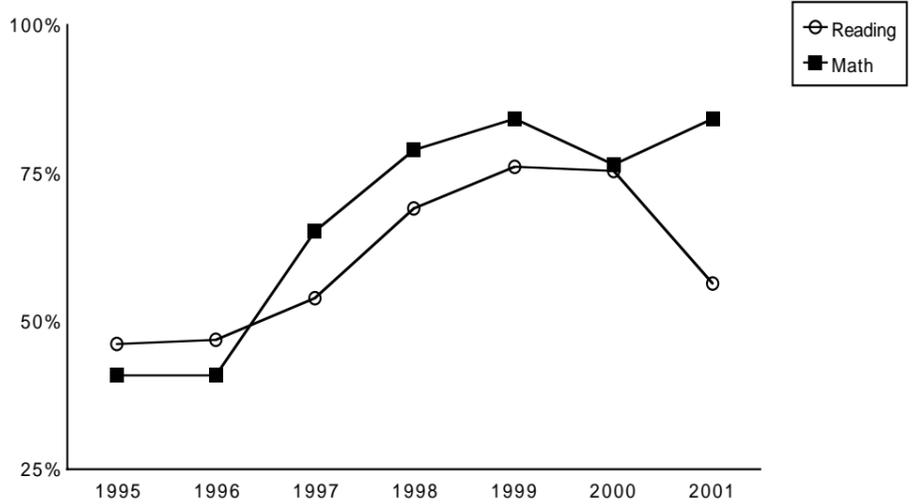
help," said Lucy Edwards, principal of Gaston Middle School. "But one of the best things about the program is that transportation is provided."

Often, children from low-income communities are not able to stay after school for much-needed assistance because their parents are at work or have no way to transport the child back home.

Through community involvement and dedication, Gaston Middle Schools has seen steady improvements in reading and mathematics since 1996. But this year's 2000-2001 reading scores dropped dramatically, falling almost 20 points in one year.

Principal Edwards said the scores dropped this year for several reasons: a loss of teachers at every grade level and a large influx of sixth-graders who were below the

Gaston Middle School: Percent of Black Students At/Above Grade Level



"basic" level in reading.

One of the more interesting reasons was that teachers at the school decided to test a large number of exceptional children with the normal end-of-grade test instead of the alternate Computer Adaptive Test.

"We don't just look at things to do to get our test scores up. We are more concerned with getting an accurate measure on the student's performance than we are with looking good," said Edwards.

And our teachers wanted the best measure possible so they could learn how these children were performing and how they could help."

In fact the school was very upset with this year's faulty math tests that the N.C. Department of Public Instruction distributed for end-of-grade testing.

Not only did the department waste

money, but the school has no way of telling how well its students performed this year, Principal Edwards said. "It's the kids that ultimately suffer from mistakes like this," she said.

Regardless of what test scores say, Gaston Middle makes it a point to nurture every child that walks through the door. Ninety-three percent of the students are racial minorities, and many of them fail to receive much-needed parental attention at home.

"Before we can develop a child academically, we have to instill trust in many of our students," Edwards said.

Higher scores don't come overnight. Parents and teachers must provide children with exceptional resources, said parents, teachers, and administrators at Gaston Middle and Garysburg Elementary. CJ

# Advertisement

CAROLINA JOURNAL

## Weekly Report for Executives

Carolina Journal Weekly Report for Executives is your antidote to watered-down media coverage of state politics and policy. North Carolina has hundreds of newspapers. But from those hundreds of papers, only a handful of reporters are assigned to Raleigh. And how many of them do you think write from a free-market frame of mind?

In Carolina Journal Weekly Report, you get unfiltered weekly coverage of state government from experienced reporters who have actually read the *Federalist Papers*. Our reporters attend committee meetings and interview lawmakers face-to-face, so you get the stories first-hand. To subscribe, email [cjwr@johnlocke.org](mailto:cjwr@johnlocke.org) or call (919) 828-3876.

## Course of the Month

This month CM will again honor a range of courses, but this range isn't limited to one university. Courses honored this month are all those that still feature *I, Rigoberta Menchú as an autobiography* of a poor woman in Guatemala whose family was oppressed by rich landowners of European descent, then by the Guatemalan Army (backed by the United States).

In late 1998 an exposé written by Middlebury College professor of anthropology David Stoll (and verified by several others) revealed the "autobiography," which won the Nobel Peace Prize in 1992, to be chock-full of fabrications. They ranged from major events, such as the Army's public burning of her brother and other prisoners, to mundane ones, such as her contention that she worked eight months a year as a farm laborer. The Menchú uncovered by Stoll's *I, Rigoberta Menchú and the Story of All Poor Guatemalans* was a wealthy, well-educated Marxist involved with outsider terrorists.

When the Menchú hoax was revealed, however, many academic leftists stubbornly clung to the "greater truths" of the book like a three-year-old to his old, tattered blankie. A *Chronicle of Higher Education* article a month after Stoll's book appeared featured such quotes as "Whether it's true or not, I don't care" and "We have a higher standard of truth for poor people like Rigoberta Menchú." Menchú herself admitted to inaccuracies, but she defended her book under her redefinition of it as a mix of her testimony and her homeland's.

So it is still being taught, sometimes with an acknowledgment of Stoll's book, sometimes not, and sometimes with Stoll as another Menchú oppressor. A short search found the book featured in courses in many schools in the UNC system, especially in Spanish, anthropology, and literature departments.

That search also turned up a presentation by Cynthia A. Wood, head of Watauga College at Appalachian State University, entitled "The Authorization of Gender and Development: 'Third World Women,' Native Informants, and Speaking Nearby," which she presented in March 2000 to the XXII International Congress of the Latin American Studies Association. Wood's presentation laid out the leftists' struggle with Menchú's compelling, but fictional, account.

"Menchú knew that she had to be authentic to be heard, so she 'painted herself thick with authenticity' ... she gave us what we wanted to see and hear. Beverly suggests that wearing native dress in public contexts was a kind of 'performative transvestism,' through which Menchú clothes herself in authenticity."

Wood suggested a way around this mess, in keeping with Menchú's mix: "A number of postcolonial feminist critics have suggested the importance of being comfortable with difference and its ambiguity in attempting a new way. 'I do not intend to speak about,' says Trinh of her film on Senegal, 'Just speak near by.'"

In other (Clintonic?) words, it's not lying, it's just speaking *near* the truth.

# UNC Board of Governors Opts to End Rather than to Defend Quota System

*Board blinks in face of lawsuit from respected and influential former member of board*

By MELISSA SUAREZ  
Senior Writer

RALEIGH

Last month the Board of Governors of the University of North Carolina requested that its lawyers ask the General Assembly to repeal the statute instituting a quota system for board membership.

The request was made following a lawsuit filed by one of UNC's greatest benefactors in May. Walter R. Davis, a UNC-Chapel Hill trustee for whom the main library at the campus is named, filed suit against the state and the UNC Board of Governors for using "an unnecessary and illegal quota system" to ensure that minorities and women received spots on the UNC Board of Governors. Davis was joined by four other plaintiffs, including former Libertarian Party gubernatorial candidate Barbara Howe and Winston-Salem Alderman Vernon Robinson.

The plaintiffs claimed that the state and the Board of Governors are violating equal protection provisions of both the state and federal constitutions because some appointments to the board are based on political affiliation, race, and sex.

General Statute 116 -3 mandates that the UNC Board of Governors, which sets policy for the 16-campus system, be composed of 32 persons. The terms are for four years with 16 members elected by the General Assembly every two years. In each of those elections, the law stipulates that two board members be of the "largest political

minority of the General Assembly," two be of "a minority race," and two be "women."

Surprisingly, the board opted not to defend the quotas. Chairman Benjamin Ruffin noted in a June 8 statement that "the board recognizes, in light of current case law, that the challenged statute as it is written would be difficult to defend in court."

Ruffin also complained that "based on advice we have received from counsel, the Board of Governors doubts that the particular plaintiffs in this lawsuit are the proper parties to raise these legal issues."

Nevertheless, Ruffin said, "the view of the Board of Governors [is] that it would be better for us to spend our time and money addressing educational matters than to spend our resources defending the challenged portions of the statute."

## Influential Donor Pressed Case

Davis is a current member of the Board of Trustees of UNC-Chapel Hill and has previously served as a member of the Board of Governors. A native of Elizabeth City, he became a millionaire working in the oil industry in Texas. He has residences in North Carolina and Texas.

Davis is widely regarded as having enormous influence behind the scenes in N.C. politics, and he is a major financial contributor to political campaigns. He contributed \$250,000 in soft money to the Democratic Party last year. *The News & Observer* of Raleigh has referred to him as a "father figure and mentor" to state senate leader Marc Basnight, whom the *N&O* called the most powerful politician in the state.

"I have dedicated part of my life to providing time, money, and effort to the UNC system, and I am deeply committed to make sure that our education system runs in a fair

and constitutional manner," Davis said in a statement provided to *Carolina Journal* by his attorneys.

"When I found out that the Board of Governors had an unnecessary and illegal quota system for electing its members, I first attempted to resolve this matter without filing a lawsuit. After exhausting all attempts to resolve this matter prior to filing this lawsuit, I realize there is no other recourse but asking the courts to correct the unconstitutional status of the Board of Governors."

Barbara Howe told *Carolina Journal* that she was shocked to find out that the state had quotas for the Board of Governors.

"The day or two before I found out about this lawsuit, I happened to be sitting in on a Senate session where they were approving the Board of Governors members," Howe said. "I thought it was horrifying that North Carolina legislators codify discrimination into the law. To me, you get the best person for the job, period."

Davis said that "no other law of the State of North Carolina imposes a mandatory quota system as to membership on any other state board, public governing body, or governmental committee based on race, gender, or political affiliation."

Davis also maintains that another state law appropriately addresses the issue of diversity without mandating quotas. General Statute 116 -7 (a) states, "In electing members, the objective shall be to obtain the services of the best qualified citizens of the State, taking into consideration the need for representation on the Board by the different races, sexes and political parties."

Ruffin said UNC would seek that the General Assembly strengthen the statute for taking consideration of different races, sexes, and political parties in the election of board members. CJ

# Microsoft ruling pleases N.C. State economist

By JON SANDERS  
Assistant Editor

RALEIGH

When a federal appeals court unanimously voided Judge Thomas Penfield Jackson's order to break up Microsoft Corporation, the phone in Stephen E. Margolis' office started ringing off the hook.

An economist and head of the Department of Economics at North Carolina State University, Margolis is coauthor of *Winners, Losers & Microsoft: Competition and Antitrust in High Technology*. Along with Stan J. Liebowitz, a professor of managerial economics at the University of Texas at Dallas, Margolis wrote critically of the Department of Justice's case against Microsoft.

"I think the appellate decision was a pretty good one," said Margolis, especially the court's decision to throw out the breakup order. The court also upheld the lower court's finding that Microsoft had engaged in anticompetitive behavior through imposing license restrictions and through agreements with Internet providers, but it reversed the lower court's findings that Microsoft had sought to monopolize the browser market and had illegally tied its Internet Explorer browser in with its Windows operating system.

Margolis said that the most interesting aspect of the appellate court's ruling was that it discarded the *per se* rule concerning tie-in sales (usually tie-in sales are ruled illegal on their face when the seller has a

dominant market share). The appellate court called for abandoning the *per se* rule for technological integrations, in favor of adopting a rule of reason. This means that courts will no longer immediately dismiss tie-in sales by dominant firms as illegal, but they will scrutinize them individually to decide if they are anticompetitive.

"The best thing to come out of this case is the new understanding about tie-in sales," Margolis said.

The Justice Department's case is built on allegations of anticompetitive, monopolistic behavior by Microsoft, which is especially worrisome because those markets are allegedly prone to network effects and "lock-in." In other words, the government's assumptions are that if everyone has Windows, everyone will stay with Windows because no one wants a system unlike everyone else's, and Microsoft, knowing this is the case, can take advantage of them. Therefore, consumers are harmed en masse, at the mercy of Microsoft who not only overcharges them but also prevents competitors from offering them better products.

## Harming or Helping Consumers

A key focus of *Winners, Losers & Microsoft* was discovering whether Microsoft was guilty of any actual harm to consumers. Margolis and Liebowitz compared Microsoft products' shares in their respective software markets with the reviews of those products by experts. They

also compared the prices in those markets. What they found was that in the markets where Microsoft products came to dominate — spreadsheets, word processors, desktop publishing, online services — their dominance happened only *after* they began recording "wins" (Margolis and Liebowitz's terms for receiving the highest quality rating by reviewers) against their competition, not from monopoly leveraging.

Their analysis of software prices also cast doubt on allegations that Microsoft used monopoly leveraging. Margolis and Liebowitz found that prices fell in software markets where Microsoft gained a dominant position, and more importantly, they fell *after* its products gained dominance.

"In short, Microsoft's effect on the software markets has been to lower prices and improve product quality," they wrote. "Such outcomes benefit consumers — though, of course, they hurt Microsoft's competitors. The Department of Justice's antitrust campaign against Microsoft may or may not help Microsoft's competitors, but it certainly doesn't seem to be in the interest of software consumers."

Now the appellate court's decision opens the door for settlement, Margolis said, which is in the interest of both Microsoft and Justice. The court's rulings against Microsoft, however, paves the way for private lawsuits against the company.

"A whole fleet of corporate ambulance-chasers will be launched," he said. "The litigation will go on and on." CJ

## Library photo

D.H. Hill Library at N.C. State University.

Photo by Andrew Cline

## N.C. Research Libraries Rank In Top National Tier in Survey

Ry JON SANDERS  
Assistant Editor

RALEIGH  
North Carolina's three research universities — Duke University, North Carolina State University and the University of North Carolina at Chapel Hill — are all ranked highly in the latest survey released by the Association of Research Libraries.

Of the 112 libraries in the survey, UNC-CH is ranked 17th, Duke 25th and N.C. State 35th. In compiling the rankings, the ARL uses an index involving several variables: volumes held, volumes added, current serials, total library expenditures, and total professional and support staff.

N.C. State's ranking is a dramatic turnaround from a decade ago. N.C. State's library, which wasn't admitted into the ARL until 1983, was ranked as far back as 101st (out of 105) in 1991.

N.C. State's dramatic jump in the rankings came about out of the efforts of the entire university community. N.C. State Director of Libraries Susan Nutter said that in the early 1990s, former chancellor Larry Monteith had set a goal of the library getting into the top 50 in five to 10 years. Monteith pledged to get the university the kind of library that would befit a top research university. Chancellor Marye Anne Fox, who as a researcher herself understands the importance of a library to research, has maintained support for the library, Nutter said.

Another factor contributing to the library's improvement, Nutter said, was a special \$400 tuition increase granted by the legislature for the 1996-97 academic year. The legislature allowed the increase for only three areas of funding: financial aid, libraries, and faculty salaries. The increase yielded \$8.4 million for N.C. State, half of which went to student aid. The other \$4.2 million went to the library system — the faculty had voted to forego their salary increases in favor of improving the library.

"We didn't ask them [the faculty] to do that; that was something they took upon themselves to do," Nutter said. "It was a surprise."

For its part, the library returned the favor. Nutter said that she and her staff turned to the faculty and students and asked them to set the guidelines for how to invest the money, and that based on their suggestions it went to improving collections and services. From 1994-95 to 1999-2000, according to the ARL survey (as reported in the *Chronicle of Higher Education*), library expenditures increased at N.C. State by 64 percent. That increase was the second largest increase in the country (behind Rice University). Last year the ARL awarded its first Excellence in Academic Libraries Award to N.C. State.

### Other Schools Maintain Rating

Library growth at UNC-CH and Duke, which have remained in the upper ranks of university libraries, has been relatively stable. Joe Hewitt, associate provost for university libraries at UNC-CH, said that UNC-CH's library expenditures have grown by 22 percent from 1994-95 to 1999-2000, but that the main interest now is increasing the number of volumes in the library. He said the university's ranking in volumes has slowly increased from 24th to 20th. Hewitt also said that the volumes, especially the historic collections, are very important not only to students and faculty, but to the university's academic reputation and researchers around the world.

Hewitt also discussed the Triangle Research Libraries Network, which tries to organize the libraries at Duke, N.C. State, UNC-CH and N.C. Central University as one, and the service it provides to the area.

"If you add all the volumes of those libraries together, we're second only to Harvard University (14.4 million volumes)," Hewitt said. "Harvard has the largest university library in the world." CJ

### Holdings of University Research Libraries in North Carolina, 1999-2000

|            | Volumes<br>in library | Volumes<br>added | Current<br>serials | Permanent<br>staff | Total<br>expenditures |
|------------|-----------------------|------------------|--------------------|--------------------|-----------------------|
| UNC-CH     | 5,132,649             | 120,719          | 44,576             | 328                | \$24,985,564          |
| Duke       | 4,960,746             | 105,752          | 32,821             | 303                | \$24,895,354          |
| N.C. State | 2,945,119             | 123,367          | 37,247             | 241                | \$19,442,070          |

## Budgets and State Colleges

A phrase that I used to hear often from my parents was "We're not complaining ... but we want you to see what's being done." It represented a halfway station between an order and a mere suggestion — something I ought to consider seriously, with a suggestion more of carrots than sticks.

In that vein, North Carolinians, especially those who have influence over the state's budget, ought to see what's being done elsewhere. Our state is not the only one facing a big budget deficit, and we might profit from watching how other states adjust income and spending.

South Carolina is facing a lot of red ink, and the legislature has responded by reducing support for state universities. That's a politically bold step, putting those legislators who voted to reduce spending for higher education in danger of demagogic political attacks featuring the "anti-education" mantra. What is even more instructive is the way that at least one of the universities has chosen to react to the reduced level of government funding.

Clemson University's board of trustees recently voted to raise tuition for in-state students by an eyebrow-raising 42 percent. South Carolinians who want to attend Clemson, one of the two "flagship" universities in the Palmetto State, will have to pay tuition of about \$5,100 per year. Students are still getting a large subsidy from the state but will pay a larger share of the cost than previously.

By way of comparison, Clemson students will pay in tuition alone nearly twice what students at the two "flagship" campuses in the North Carolina system, UNC-Chapel Hill and N.C. State, paid this year in tuition and fees (\$2,746 and \$2,768, respectively).

Although a miniscule tuition increase is in the works this year, the leaders of our state university system have resisted significant tuition increases like someone might resist going to the dentist. UNC President Molly Broad uses every excuse imaginable for keeping tuition at levels that are far below the national average. She says, for example, that UNC is "the people's university," as if that somehow justified the huge taxpayer subsidy to the many students at Chapel Hill, State, and the other campuses who come from wealthy families.

Iowa has also managed to spend itself into budgetary obesity. As part of the needed diet, Gov. Tom Vilsack proposed a 6 percent cut in the university system budget. The cut's approval is far from certain — the University of Iowa's president has been circling the wagons with the often-heard argument that salaries for faculty and administrators are already "uncompetitive" — but compare Vilsack's fortitude with Gov. Mike Easley's proposed \$1.8 billion budget for

UNC — a 2.5 percent increase.

North Carolina's state university system consumes a larger percentage of state spending than systems in almost any other state, yet university spending is almost a sacred cow. Defenders of the high expenditure level repeat that UNC is vital to the state's economy, our "economic engine."

We ought to be very skeptical about that argument. A study released by the Pope Center last year found no direct correlation between the level of spending on state universities and state economic growth. Some of the states with the lowest levels of government spending on higher education (such as Arizona) were at the top of the economic growth chart, and some of the highest-spending states (New York, for example) had seen economic growth far below the national average.

Education is an investment in human capital, one people are willing to make when its future benefits outweigh its present costs. People don't need a government subsidy to undertake the necessary education and training to enter occupational fields from medicine and engineering to golf (yes, N.C. State offers a major in golf) any more than businessmen need government subsidies to invest in profitable ventures.

Educational subsidies have the same effect as other subsidies — they induce people to do things they would not otherwise do. Business subsidies lead to investments that can't pay their own way and must rely on continuing infusions of taxpayer support or governmental interference. Educational subsidies lead to an increased number of students enrolled, many of whom are neither prepared for nor much interested in college-level studies.

As economists David Shaffer and Frederick Pryor noted in their book *Who's Not Working and Why*, we now find large numbers of young adults with college degrees doing what used to be regarded as "high school" jobs. They pass enough easy and frivolous courses that they earn a bachelor's degree, but when the reality of the job market hits, they find that employers are not impressed with their abilities.

Higher education has been greatly oversold in the United States generally and particularly so in North Carolina. Perhaps the citizens should not just suggest that Easley and the legislators look at the moves elsewhere to make higher education less costly to the taxpayers, but make it an order. CJ

Leef is director of the Pope Center for Higher Education Policy and a scholar at the American Council of Trustees and Alumni.

George C. Leef

POPE CENTER  
for Higher Education

200 W. MORGAN STREET, STE. 204, RALEIGH, NC 27601  
919-828-3876 • FAX 821-5117 • WWW.POPECENTER.ORG

GEORGE C. LEEF, DIRECTOR

With colleges and universities enrolling a record number of students and spending unprecedented public and private dollars, the mission of the Pope Center for Higher Education Policy couldn't be more important: to report on, analyze, and research issues in higher education such as cost-effectiveness, tenure, curriculum, and the quality of undergraduate education. The Pope Center publishes *Inquiry* papers on these issues, holds an annual conference for academics and policy analysts, and distributes a weekly e-newsletter on higher education. For more information, please call Jon Sanders at 919-828-3876 or visit [www.popecenter.org](http://www.popecenter.org).

## Bats in the Belltower

## UNC-Wilmington Assesses Need for an On-Campus Masseur

The March issue of *Carolina Journal* included an article about the controversy over a proposed Women's Center at the University of North Carolina at Wilmington. A student group, the Conservative Leadership Group, was charging secrecy on the part of the Women's Issues Task Force because, they said, task force members stopped answering their inquiries for *The Anchor*, the CLG's publication, once members found out that *The Anchor* was published by a conservative group. Task force members said they were merely at the beginning stages of a needs assessment and couldn't answer their questions.

Part of that needs assessment has been completed now. Susan Bullers conducted a "Women's Center Feasibility Study" poll for the UNCW Office of the Provost that asked certain students — women and men — to "Please blacken in the bubble corresponding to all services, programs and resources that you would like to see offered in such a center" (emphasis in original). Here are the programs and services options presented to the students:

### Information and programs

- Anger Management
- Body Image
- Car Repair
- Contraception Options & STDs
- Defense Training
- Eating Disorders/Nutrition
- Financial Management
- Home Repair
- Massage & Relaxation
- Parenting
- Poetry Reading
- Sexual Harassment
- Sexual Violence
- Substance Abuse
- Take Back the Night March
- Time Management
- White Ribbon Campaign (Men Against Sexual Violence)
- Women's & Men's Health Concerns
- Women's History Month

### Services

- Book Club
- Brown-bag discussions
- Community Outreach
- Mentoring
- Movie night
- Networks (graduate & professional; women of color; Bisexual / Lesbian/Transgender; sorority; women in sports; women with disabilities; parenting)
- Newsletter
- Outdoor activities
- Referral to other offices, groups, services on campus and in the community
- Retreats
- Support Groups

It's hard to see how this is either a "needs assessment" or a "feasibility" study. The survey appears to assess wants, and as for feasibility, the survey appears to assume the future existence of the center (not only is it assumed in the survey question itself, but notice there is no bubble saying something to the effect of "No, I do not think such a center would be feasible").

Nevertheless, the responses were revealing. "Massage and Relaxation" was surprisingly not the most popular option; it came in second to "Defense Training." Also surprising was that the most frequent want for men was "Eating Disorders/Nutrition," which was the third most frequent want for women (although a greater percentage, 60 percent, of women filled in that want than did men (54 percent)). The top 10 wants for women included some things that didn't make men's top 10 wants, such as "Body Image," "Support Groups," and "Mentoring," while men were more interested in "Anger Management," "Car Repair," and "Substance Abuse."

Not receiving much support from the students, men or women, were typical women's-center, symbolism-over-substance fare, such as "Take Back the Night March," "White Ribbon Campaign," and "Women's History Month." Respondents supported program offerings focused on individual wants rather than political grandstanding.

Bullers' analysis concludes with taking note of the "overlap" in the programs that interested both men and women (in addition to the ones already mentioned, "Women's and Men's Health Concerns," "Contraception Options and STDs," "Outdoor Adventures," and "Sexual Violence") and stating, "In summary, there appears to be support for many of the services, programs, and information that could be offered by a Women's Center at UNCW."

Notwithstanding that a student's filling in a black box is not what could be termed a reliable measure of that student's future participation in a program, the summary is a *non sequitur*. It does not follow that if men and women share the same wants, then those wants should be addressed in something called a "Women's Center."

Doing so would be committing the same kind of political grandstanding that the students rejected, according to the poll. Whatever wants the poll found for the university to address, if the university should address them, they seem to be wants best addressed in a *student center* (e.g., UNCW's University Union, Burney Student Support Center or Warwick Center), since they are wants shared by students of *both* sexes. CJ



## Technological Changes Bringing Newer, Faster Ways To Cheat

*But cheaters beware: The same technology is making it easier to catch you, too.*

By JON SANDERS

Assistant Editor

RALEIGH

Rapid changes in technology are providing students with newer, easier, and quicker ways to cheat. They are also making it easier for professors to detect cheating.

Perhaps the most well-known way of cheating in the Digital Age is through what are called on-line "paper mills," web sites that provide ready-made term papers on thousands of topics for a per-paper fee. The sites' selling points include the cut-and-paste ease of electronic transfer of data and the promise of the plagiarism going undetected, since professors are used to seeing so many term papers. The ease of cut-and-paste also allows more pedestrian, student-to-student data transfers, without the online middleman.

Professors are used to seeing generated term papers, too, and they have their own resources to check students' papers against those offered online. For example, there are several online detection services that scour the Internet and their own databases looking for identical passages in the paper being checked and those already on line.

One such service is [www.turnitin.com](http://www.turnitin.com), a fee-based service created by a team of researchers from the University of California at Berkeley led by John Barrie. Another service is [www.findsame.com](http://www.findsame.com), run by Digital Integrity Inc. of San Mateo, California, which was co-founded by Alex Aiken of Berkeley. (Aiken created the Measure of Software Similarity program to find similar code strings in software program, which he gave away for free in 1997.)

IntegriGuard ([www.integriguard.com](http://www.integriguard.com)) is another plagiarism-finding company, and it offers both fee-based and free detection services. IntegriGuard powers two free cheating-prevention websites.

### Register Your Cheat Sheet Here

HowOriginal.com even offers a taunting challenge to the paper mills on its site: "We challenge any term paper mill that really believes they exist to help students to open their databases for real-time scanning by IntegriGuard. In exchange for doing so, we will list you as a 'scanned by IntegriGuard' site. Come on ... you'll sleep better at night. A lot of your writings are already in our database, so why not get the added benefit of a clear conscience and start thinking of new creative ways to actually help students write better?"

Users of HowOriginal.com submit a small passage of text (up to 1,000 characters) and their email address, and the website generates a report. The author of this article did so using a previous paragraph (which was naturally found to be free of plagiarism), and he received a detailed analysis of the phrases in those paragraphs, along with the following message, which lays out the site's *raison d'être*: "Students are purchasing term papers over the Internet and turning them in as their own research. Until now, instructors could do nothing more than hope their students were not purchasing these papers. Unfortunately, research shows that these hopes are in vain. IntegriGuard is an Internet-based plagi-

rism deterrent system. It gives educators an edge in the fight against term paper mills. Simply put, students are less likely to cheat when they know they are being watched."

Not to be overlooked, many professors are themselves adept at writing plagiarism-detection programs.

Prof. Louis Bloomfield of the University of Virginia used a computer program that he had written to check for cheating after a student in his introductory physics class told him cheating was rampant there.

Bloomfield's program looked for matches of six consecutive words or more between the 1,800 term papers submitted to him over the past five years and found enough to charge 122 students with cheating. And the similarities he observed were not just a few identical words in a phrase; as Bloomfield told *The New York Times*, "it's 1,500."

Apart from the paper mills, there are many other online resources for cheaters. Bulletin board forums, for example, provide easy airing of cries for "help." For example, students at North Carolina State University can visit the "Study Hall" forum on "The Wolf Web" ([www.brentroad.com](http://www.brentroad.com)), set up specifically for students to "discuss teachers, classes, homework, tests, etc." It can be a good resource for students needing help with their homework, but it also can be a tool for cheating.

It can also be both to any student who hasn't decided which path to choose, as appeared to be the case with the student whose thread on the subject of his calculus assignment read: "It's due tonight, anyone got it done?? if you wanna send it to me, that'd be great too" [sic].

Along similar lines, students can also use e-mail, Internet chat rooms (which differ from bulletin-board forums in that chat rooms are real-time and require participants to be logged on simultaneously, whereas bulletin boards keep the information viewable so forum participants may view or add to it whenever they log on), and even instant messaging (a more private version of a chat room).

And not just for homework, either; more and more, students are able to access the Internet in class. Some classrooms are set up for Internet access, and students may bring their laptops in with them and plug them in. (Apart from making it easier to cheat, the new technology at students' fingertips has changed the face of in-class goofing off, with computer games replacing crossword puzzles.) Also, the advent of wireless Internet access means students can chat, check email, and even search the World Wide Web on a digital phone.

Another handheld implement for cheating is a memory-intensive calculator that allows the student to save his class notes on it. In most test situations, students are allowed to use calculators, but in some instances a student pulling out a calculator is also essentially taking an open-notes test.

Rapid technological growth has always opened new avenues for growth and opportunity adjacent to new side streets of mischief. Professors should be aware of the new ways students can cheat so they can know how to avoid giving students the opportunities. Furthermore, most student codes of conduct encourage (to varying degrees of intensity) students who see their peers cheating to turn them in.

The latter is what happened in Bloomfield's class. A student in the class told him that the grade she had received on her paper was low because many with higher grades had cheated. One complaint led to the discovery of 122 cheaters. CJ

Title IX Cases Could Face Greater Challenge**U.S. Supreme Court Tightens Definition of Discrimination**By JON SANDERS  
Assistant Editor

RALEIGH  
A decision by the U.S. Supreme Court on an Alabama case concerning an English-only driver's test could have broad ramifications for controversies facing higher education. The decision could weaken current enforcement of Title IX of the Education Amendments of 1972 as well as challenges to the use of the Scholastic Aptitude Test (SAT) on the grounds of racial discrimination.

The case stemmed from a lawsuit filed on behalf of Martha Sandoval and all other Spanish-speaking residents of Alabama by the Southern Poverty Law Center, which claimed Alabama's English-only driver's test had a discriminatory effect on them. The suit was brought on the grounds of Title VI of the Civil Rights Act of 1964. At issue were whether civil-rights legislation applied broadly or narrowly (i.e., to policies that have a *discriminatory effect* or only to policies that *discriminate intentionally*) and whether private lawsuits are an allowable way to enforce those laws.

A majority of the Court ruled 5-4 against Sandoval *et al.* in April, finding that agencies that receive federal funds may not be sued for policies that have a discriminatory effect against persons on the basis of their race, color or national origin. Suits

would be allowed only if the discrimination were proven to be deliberate.

In other words, the existence of a difference in a policy's effects on people of different races is no longer considered by the Court as sufficient evidence of actionable discrimination. Plaintiffs must now show that the policies were implemented with the intent of discrimination. This standard set forth by the Court is a much more difficult standard to meet.

**Message for Title IX Enforcement**

Writing for the majority, Justice Antonin Scalia was critical of past decisions of the court that allowed private suits against policies that differed in effects on racial groups. "Respondents would have us revert in this case to the understanding of private causes of action that held sway 40 years ago when Title VI was enacted," he wrote. "We abandoned that understanding in *Cort v. Ash* (in 1975) ... and have not returned to it since."

"Having sworn off the habit of venturing beyond Congress's intent, we will not accept respondents' invitation to have one last drink," Scalia wrote.

Because the Court found no intent to create a freestanding private right of action to enforce Title VI's regulations "[n]either as originally enacted nor as later amended," the Court ruled that "no such right of ac-

tion exists."

The importance of this ruling to Title IX enforcement, which has been noted by legal commentators, is evident from Scalia's discussion of precedent, including *Cannon v. University of Chicago*, a 1979 Title IX case. In *Cannon*, the Court noted that "Title IX was patterned after Title VI" and used language "parallel" to that of Title VI.

Since 1979, the Office for Civil Rights has used an *ad hoc*, three-prong test to determine whether a college or university athletic program is in compliance with Title IX.

According to the OCR, institutions need to meet only one of these prongs to be considered in compliance: 1) athletic participation proportionate in gender to enrollment; 2) history of expanding athletic programs for the underrepresented sex; or 3) completely accommodating the interests and abilities of the underrepresented sex.

The test appears to be based upon the broad, discriminatory-effects application of civil-rights legislation that the Court has rejected.

That same application was driving lawsuits against the University of California and the National Collegiate Athletic Association on their use of the SAT, which the lawsuits claim have a discriminatory effect against racial minorities.

The Court's ruling comes at a time when the OCR, at least under the Clinton Administration, was preparing to widen its application of Title IX to other areas besides athletics participation. An executive order signed June 17, 1997, by President Clinton directed all heads of executive agencies to "develop vigorous, new Title IX enforcement plans" that included identifying education programs or activities that might have discriminatory effects. *CF*

Interpretation of Bakke Decision a Key Issue**Court Lets Stand Texas Ruling Barring Use of Race Preferences**By JON SANDERS  
Assistant Editor

RALEIGH  
In June the U.S. Supreme Court declined to hear a Texas case that threw out a previous interpretation of the *Bakke* justification for the use of racial preferences in university admission decisions.

It was the second time in five years that the Court had declined to hear the case, *Hopwood v. Texas*. A 1996 ruling on the case by the U.S. Court of Appeals for the Fifth Circuit barred the University of Texas Law School from using racial preferences in its admissions. The decision led to significant debate within academia and government in North Carolina and many other states.

Last month the Court let stand a Ninth District decision in favor of the University of Washington Law School's use of racial preferences in student admissions. That decision was also hinged on the *Bakke* justification, but it swung the other direction than the *Hopwood* court.

**Powell's Opinion**

The *Bakke* justification for racial preferences was made solely by Justice Lewis F. Powell in his one-vote plurality opinion in the 1978 Supreme Court case *University of California v. Bakke*.

Powell wrote that race may be used as "a 'plus' factor in a particular applicant's file" but that race may be only one of "a far broader array of qualifications and characteristics" of the applicant.

Powell's opinion, which did not represent the views of most of the justices in the majority, has been used to justify using race

in college admissions, even beyond the limited use Powell said was justifiable. For example, Powell rejected "simple ethnic diversity" as a justification for such preferences.

The Fifth Circuit, in rejecting the standard application of Powell's justification in *Hopwood*, may have hit upon the gist of it. "The use of race, in and of itself, to choose students simply achieves a student body that looks different," the court stated in its decision. "Instead, individuals, with their own conceptions of life, further diversity viewpoints."

**UT Lawyers Seek Second Chance**

Whereas the Fifth Circuit rejected the *Bakke* justification of Powell, the Ninth Circuit upheld it. Lawyers for the University of Texas were hopeful the stark disagreement at the district level would get them a hearing before the U.S. Supreme Court, but the justices were in agreement with the plaintiffs' lawyers, from the Washington-based Center for Individual Rights, who argued that the state's case was unchanged since the Court last declined to hear the case.

Court watchers speculate that the Court will eventually hear a case involving race-preferential university admissions, and they are following the lawsuits against the University of Michigan at Ann Arbor especially. Also progressing through the courts is a lawsuit against the University of Georgia.

The *Hopwood* case affects not only Texas, but also Louisiana and Mississippi, the other states in the Fifth District. *CF*

**Advertisement**

## Town and Country

• In the June issue of *Carolina Journal*, we noted how city officials maintained that impact fees in the Town of Cary paid for 100 percent of the cost of growth. However, we found that the fees also covered future use of services, thus really paying for more than the cost of extending infrastructure.

Now *The News & Observer* of Raleigh has reported that Cary is lowering its property tax rate by 2.3 percent, but significantly increasing other fees and charges by 11 percent.

The new revenues are going to pay for "openspace" and water plant expansions. However, in an interview with *Carolina Journal*, a spokesman for the budget department insisted that the "mathematical model" Cary created to determine the amount of fees already accounted for expansions in such things as water treatment. Council member Marla Dorell said that she thought it was "disingenuous" to claim this as a tax cut while increasing in other rates.

• *The Daily Reflector* of Greenville has reported that there is a national trend of local governments taxing nonprofit organizations. The National League of Cities says that state and local governments are trying to figure out ways to tax those entities in a way that does not interfere with federal tax laws.

"Obviously, there are political costs and risks for the elected officials involved in making those decisions...but when things aren't moving along as smoothly, that's when people look around to see what their options are" said Doug Peterson, a senior analyst for the League.

Pitt County Manager Tom Robinson said in the story that taxing non-profits could help solve budget woes. "I think that it has merit because the nonprofits still require services," he said. "To the degree that they are getting services, they should pay. It takes a lot of money to provide fire and police protection."

Six out of the top nine employers in Pitt are nonprofit institutions. They include East Carolina University, Pitt Community College, and Pitt Memorial Hospital. Only the hospital contributes any money to the county general fund in lieu of taxes.

The county says nonprofits tend to be free-riders — benefitting from public services for which they do not pay. But there is a potential problem with taxing nonprofit organizations. Collecting taxes from them would require state legislation.

Not only do nonprofit organizations escape property taxes, they don't pay sales taxes, either. Property taxes make up 54 percent of Pitt's general fund. The other 19 percent is sales tax, Robinson said.

Chuck Hawkins, associate vice chancellor of financial services at East Carolina University, said that taxation really has not been an issue at his institution. "That topic really hasn't come up a lot, mainly because of all the cooperation," he said. "I think the city and the county realize we bring in a lot of business with our students and staff."

## Davidson's Land-Use Lessons

## Critics Say Draconian New Ordinance Takes Private Land without Compensation

By ERIK ROOT

Assistant Editor

RALEIGH

The Town of Davidson is engaging in a land grab that amounts to confiscation without compensation, say critics of a new land-use ordinance that has some residents wondering what the Mecklenburg County town will take next.

The new land-use ordinance extends to 4,400 acres outside the town limits, which is in the town's "extraterritorial jurisdiction," or ETJ. In essence, a town of approximately 800 acres gets to control the land use of an area more than five times larger and located five miles outside its borders.

The ordinance not only requires any development to include 50 percent "open space," but it bans drive-through windows, mandates affordable housing in all new developments, and seeks to rid the town of the use of automobiles. About 12.5 percent of developments are to include affordable housing.

According to John P. Brockway, president of the North Mecklenburg Landowner Association, the ordinance was passed over the objection of 83 percent of the landowners, or 3,177 acres out of 4,400.

"We presented a list of signatures to the leaders of Davidson at a town meeting, but they ignored the will of the people in the ETJ," Brockway said.

The new ordinance seeks to correct the wrongs of the past, supporters said.

"The development of the 1940s and 1950s made community more difficult," said Davidson Mayor Randall Kincaid. "Our ordinance puts people together and makes community easier." When asked if the World War II generation thus had no community, the mayor had no answer other than it was just "difficult" for them.

## Land-Use and "Lockean" Rights

According to the ordinance's stated principles: "We rely on a unique combination of private property rights and government proscription of unbridled rights. Government plays a crucial role in the development process. While deeply respecting the rights of private property owners, town government in Davidson sets the rules for implementation of those rights."

Davidson Commissioner David Martin, one of the principal authors of the ordinance, said that the reason it is fair to regulate those who do not have the ability to vote for any of the town politicians is "because we have the right to do so."

Kincaid maintained that the town was protecting the property rights of the citizenry and that there is "no difference in [the ordinance] and Lockean property rights." The mayor also claimed that the land owners only care about their property values and under Davidson's "new urbanism" plan, those values increase.

But according to Hal Garmon, a property owner in the ETJ and a member of the group STOP (Stop Taking Our Property), the simple fact that he now has to keep his property at least 50 percent "open space" means that the town has effectively seized his land. The ordinance also allows town planners to keep people from altering their property up to 500 feet from any road if they like the way the landscape looks and want

to keep property owners from altering it. According to Garmon, they can thus regulate up to 70 percent of his property.

"If they arbitrarily like the way, say, a group of trees might look on my property, that means I can lose control over 70 percent of my land," Garmon said. He added that he does not necessarily care about whether his property value goes up or down. His concern is property rights and the ability to do what he wants with his land.

Furthermore, "the Town of Davidson has forced on us taxation without representation," Garmon said. ETJ residents have not voted for any person to represent the ETJ in what amounts to a "land grab" on the part of the town, he added.

State Sen. Fountain Odom (D-Charlotte) agreed. In a letter to Kincaid and the town, he expressed his "fear that incompatible zoning may result without objective standards. The 50 percent or even 30 percent set-aside for open space without compensation is excessive in my opinion," Odom wrote.

Kincaid responded, however, that those living in the ETJ will receive an increase in their property values under the ordinance. He even said that the current property owners get "compensated" by the fact that the city will force increased densities on any land surrounding them.

But Bill Lawing, a professor of music at Davidson College, who is not opposed to the town's efforts, said that "the ordinance may have a negative impact on the future value of the land." It is difficult for the town to substantiate its claim that property values will rise since it never conducted a study of the issue. ETJ residents requested such information at least 14 times.

Still, so concerned were the town leaders about opposition to their plan that, to placate ETJ landowners, they appointed a committee to study the plan and address the fears of the landowners. The decision to appoint a committee came after many residents picketed the town hall.

However, even though the ETJ residents say they tried to work with the town and gave them a list of six nominees to put on the committee, the town refused to place their nominees on the committee. The one

person that was asked to participate said she would if there was a guarantee it would be a substantive committee. Davidson politicians took that to mean she did not want to participate.

"The town thus crafted the aura they were acting responsibly in addressing the concerns of property owners when all they wanted to do was legitimize the committee, say the ETJ had a voice, and then implement what they initially wanted to anyway," said Brockway.

"We've always been very conscious of our responsibility to people in the ETJ, even though they don't vote for the town board, and we set a goal of protecting the value of their land," Kincaid said. "This committee is just following through on that promise."

Not so, said Jimmy McKnight, a landowner in the Davidson area.

"They had the opportunity to put some people who disagreed with them on the panel and they chose not to," he said.

McKnight also represents John and Baxter Fisher, both in their 70s and who have had their property listed for years. They wanted to divide their property, but because of "several moratoriums" they were prohibited. Because of their advancing age, they have found it difficult to maintain their 206-acre farm.

The Arvida Company is interested in buying their property, but the town's ordinances and moratoriums have prevented it. "They are just physically not able to do it anymore," said McKnight. "It's their land, let them sell it."

The Fishers' fixed income also makes it difficult for them to pay the taxes on their land. Given the actions of the Town of Davidson, they say they feel trapped.

Lawing wonders if the town is not taking a huge risk in asserting that property values will increase under the plan. The town has not even attempted to undertake efforts to bolster its assertions by having an economic study completed by an independent outside agency.

Davidson also claims that the extension of water and sewer lines to the ETJ will increase property values. However, those projects are under the direction of Mecklenburg County, not the Town of Davidson. "You can't give something you don't have," said Lawing.

"They are acting like divine-right monarchs," said Brockway. "It's like they got the word from God himself and nothing is going to stand in their way." *CJ*

**"They are acting like divine-right monarchs. It's like they got the word from God himself and nothing is going to stand in their way."**

*Schools, Medicaid, State Budget Cited As Causes***Most North Carolina Counties Raise Property Tax Burden**

By ERIK ROOT

Assistant Editor

RALEIGH

According to news reports from across the state, most North Carolina counties have raised property tax burdens in 2001 — either by hiking rates or letting recent revaluations increase collections without offsetting rate reductions.

There are three main reasons why county officials say they are raising taxes: 1) the state budget shortfall that prompted Gov. Mike Easley to withhold \$95 million in tax reimbursements to the counties, 2) the state requirement for counties to help with the increasing cost of Medicaid, 3) rising school enrollments and budgets.

One of the largest increases occurred in an already tax-burdened Mecklenburg County, where property tax rates went up by at least 15 percent. In this case, the main driver behind the tax hike appears not to be Medicaid payments or the withheld tax reimbursements (which Easley returned to counties in early July, anyway). Instead, most of the Mecklenburg hike will fund an 18 percent surge in school funding. Furthermore, residents of rural Mecklenburg will face a tax hike of as much as 25 percent.

New Hanover County has also increased taxes substantially. According to the *Wilmington Morning Star*, commissioners increased property taxes by 13 percent. The rising cost of servicing debt, an expansion to the library, a new \$46 million jail, school funding, and the state budget shortfall are cited as reasons for the increase. One commissioner, Bill Caster, voted against the budget saying that the county should mirror the belt-tightening measures embraced by the private sector.

In June, Forsyth County raised its property tax burden by an average of 9.5 percent, citing the need to make up for lost state funds. County commissioner Debra Conrad-Schrader said in the *Winston-Salem Journal* that “our hands were really tied, this is a state tax increase, make no mistake

about it. I hope the voters will understand that.” The county’s increased requirements for Medicaid were also cited as a reason for the tax hike.

Nevertheless, Forsyth found enough money in the budget to provide public schools with a 3.25 percent spending increase. School officials were unhappy with the amount of the increase, which they say really amounts to a “cut.”

Durham County added to its already high tax burden by increasing taxes 3 percent. Combined with the city of Durham’s tax increase, a person who owns a \$150,000 home will pay almost \$2,000 in taxes. County schools received a \$68 million increase. Durham County Commissioner Joe Bowser said in the *Herald-Sun* that “I certainly wish we could have done it without a tax increase, but I feel like the citizens of Durham County will accept this modest increase. I certainly didn’t get everything I wanted.” As part of the budget, 39 people will lose their jobs with the county.

Residents also saw average tax rates go up in Orange, Lenoir, Alamance, Craven, Wilkes, and a host of others. One Guilford county commissioner commented in *The Rhinoceros Times* about that county’s tax



Durham Commissioner Joe Bowser

increase that “it doesn’t pay to be poor or to grow old in Guilford County.”

**Bucking the Trend**

A few counties, however, decided to either hold the line or cut taxes in 2001.

Wake County taxpayers will not see an increase this year. The county decided to dip into its reserves to fund a spending increase for public education. School supporters had asked for a nearly 10 percent tax increase. The fact that Wake used savings to bridge the gap may mean that a contentious debate was only delayed a year. This is what Gaston County discovered after two years of dipping into its savings. This year, it had to make painful adjustments, including tax hikes, to maintain balance.

Pitt County adopted the same approach of using reserves to stave off tax increases. Many capital improvement plans were postponed until the next budgetary cycle.

Cumberland commissioners have held the line on taxes while reducing the school budget by \$5.7 million. However, school board members are not taking the cuts lightly. They may seek legal action against the county because they believe the county is not funding the schools “adequately” as required by state law.

Johnston County commissioners voted to raise teachers’ pay, but they avoided raising taxes. The school district will decrease capital outlays to compensate. The county also eliminated some funding from its economic development department.

Yadkin and Watauga Counties either held the line on taxes or decreased their overall budgets. Davie County decreased its property tax rate but its recent revaluation will take effect in 2001-02, making the change revenue neutral.

**Mixed Bag Among Cities**

As for municipalities, Cary’s fees will increase about 11 percent, more than offsetting a slight property tax “cut.” Despite these developments, Mayor Glen Lang asked that his job be turned into a full-time position at triple his current salary. His request was rejected.

Raleigh is also increasing fees, albeit by a much smaller amount and mostly for new construction. Its tax rate remains steady.

Greenville not only approved a 6.5 cent property tax increase, but also a 9 percent water-rate hike and a 15 percent sewer-rate

**History Lesson from Detroit**

Detroit Mayor Dennis Archer’s announcement that he would not seek re-election surprised many who expected him to run for a third term as chief executive of Michigan’s largest city.

Among the mayor’s greatest accomplishments is the civil tone he set while in office, which has helped bridge the gap of mistrust that sprang up between Detroit residents and their suburban counterparts.

But as the Motor City enters its fourth century, it needs more than a civil tone to fuel its long overdue economic renaissance. At the turn of the previous century, another Democratic mayor known for his genteel manner did in fact do more to help bring greater opportunities and prosperity to the citizens of Detroit. He was William C. Maybury, a former congressman and city attorney who served as mayor from 1897-1904.

The *Detroit Free Press*, in its recently published “Detroit Almanac,” described Maybury as a “conservative, pro-business” mayor, though in truth he defies easy ideological labels. While he supported municipal ownership of all utilities including gas, water, lighting, and public transit — believing the city could provide these things at lower cost — he did indeed understand that high taxes were an impediment to job creation and economic growth.

Surveying what he saw as Detroit’s substandard business climate in 1898, Maybury said in his first annual address to the city council, “Lower taxation is the keynote to the present situation. Let us be able to offer to industrial enterprises the lowest rate of taxation consistent with good government, with favorable contrast with other cities.”

Over the next year, Maybury oversaw a cut of nearly 10 percent in Detroit’s tax burden while he worked, with positive results, to attract more jobs and businesses to the city.

In his second annual address, he was able to say, “Our city is now in closer touch with the most favored cities of the Union in the rate of taxation, and therefore becoming more attractive to the investor and manufacturer.”

The mayor made every effort to ensure that Detroit’s taxes remained as low as possible. He kept a sharp eye on expenses and required all departments to seek competitive bids for any supplies

over \$200. In 1899, he analyzed expenses for street cleaning and found the city to be spending more than necessary to get the job done. “We all demand and want clean streets and alleys,” he said, “but no taxpayer desires to pay any more than it is worth to keep them clean.”

Maybury encouraged Detroit’s economic growth in other ways. In 1897, when he heard of the financial difficulties of a young inventor named Henry Ford, he personally helped Ford pay the bills and lined up investors for Ford’s first company. Maybury later remarked to city officials that “the fast developing automobile . . . is bound to be a fea-

ture of the century on which we are about to enter” and predicted that “it will extend and revolutionize the existing modes of transit in cities . . .”

Ford’s venture, the Detroit Automobile Company, fell apart in 1900, but Maybury’s early encouragement was key to helping Ford get his start in the in-

dustry that would create hundreds of thousands of jobs for Detroiters and become synonymous with the city itself.

By 1902, Maybury reported that “The financial condition of the city . . . is gratifying in every way . . .” He told the council, “Despite the growth of our city in population, and with increased demands for improvements, the rate of taxation has increased but slightly, while improvements have been wisely and economically made.”

In spite of his popularity and the city’s growing prosperity, Maybury lost his bid for re-election in the 1904 Republican sweep of Michigan. He had served three-and-a-half two-year terms, longer than any previous Detroit mayor. When he died in 1908, local citizens took up a collection to build a bronze statue of him, which stands downtown.

Maybury’s record in office provides a great lesson for mayors of all cities and towns across the country.

Municipalities must trim bloated and wasteful budgets and find ways to lower onerous tax burdens. Only then can an economic rebirth begin. *cl*



David Bardallis

David Bardallis is managing editor of publications for the Mackinac Center for Public Policy, a research and educational institute headquartered in Midland, MI.

hike. Some blame all the budget increase on “sprawl.” One Greenville resident commented to the *Daily Reflector* that, regarding the budget, “there ain’t no sense in it.”

Wilmington approved a budget that includes a 13 percent increase in pay raises for the city council as well as a 4 percent increase for other government employees. To pay for the salaries, the city will raise the property tax rate to 69 cents per \$100 valuation. The current rate is 61 cents. Despite a forced annexation that added almost \$2 billion to the city coffers, the town believes it needs more revenue to pay for salaries and other special projects on the horizon.

Apex, Fuquay-Varina, Garner, Holly Springs, Morrisville, Wake Forest, and Wendell chose not to raise property taxes. However, many of these Wake towns, while

decrying the lean times, found additional money in their budgets to increase salaries, add employees, and take on other projects. In Wendell, plans for a “downtown beautification project” were put on hold.

The bottom line from this year’s local budgetsquabbles is that, for most residents, the cost of local government will rise. Although Medicaid increases and the “now you see it, now you don’t” nature of state aid are part of the explanation, many jurisdictions also chose to spend more on services, subsidies, and salaries.

Do not expect the tax hikes to be a one-time occurrence, either. Gaston County Commissioner Floyd Wright told the *Gaston Gazette* after commissioners voted to raise taxes: “We’re going to have to do the same thing next year. This is only half way.” *cl*

## Local Innovation Bulletin Board

## Growth Pays for Itself

Randall O'Toole of the Thoreau Institute reports that in fast-growing regions, Smart Growth advocates often use people's fears that existing residents are forced to subsidize newcomers in order to build support for growth-control policies.

A recent report by an Oregon consulting firm finds that, at least in some situations, growth pays for itself. But so-called Smart Growth — typified by high-density housing — does not.

"Fiscal Impact Analysis Related to City Growth and Annexations" was written by ECONorthwest, an Oregon economic consulting firm, for the city of Salem. While the report warns that its findings are based on circumstances specific to Salem as well as specific assumptions about future growth, the report's general conclusion is that most growth pays for itself.

"The city's fiscal position in General Fund would be slightly stronger under the growth scenario than under the no-growth scenario," the report reads.

The report predicts some shortfalls, but the shortfalls will be at least as great without growth as with it. "Billing rates for water, sewer, and storm water services are lower under the growth scenario" (p. vii). Some shortfalls are due to poorly priced services.

"Under the no-growth scenario, we estimate deficits of similar magnitudes. This suggests that the most critical issue facing the Public Work Department is not the rate of city growth but rather the department's method of finance" (p. vii). All land uses pay for themselves EXCEPT multifamily housing. "Single-family, commercial/office, and industrial uses contribute more in General Fund revenues than they generate in service costs." (p. ix).

This last conclusion, which has grave implications for Smart Growth, makes a lot of sense. Taxes generated by multifamily housing tend to be much less, per capita, than from single-family housing. Yet multi-family housing can impose high costs on schools and other municipal facilities.

The report warns that it would be inappropriate for the "city to shun multifamily housing to foster its budget." But it makes even less sense to subsidize multi-family housing through property tax breaks, development fee waivers, or other subsidies, as many Oregon cities are doing in a misguided effort to promote Smart Growth.

Unfortunately, the report is not available in electronic form. Copies can be obtained from the City of Salem Community Development Department, 555 Liberty St. SE #305, Salem, Oregon 97301-3503. For those interested in the Thoreau Institute, its internet address is <http://www.ti.org>.

## Los Angeles Is Dense

Consultant Wendell Cox reports that sprawling Los Angeles is far more dense than Portland, Ore., which has strict anti-sprawl ordinances in place. Based upon the number of acres consumed by urban development, no urbanized area sprawls less than Los Angeles. The Los Angeles area has long been famous as a leader in

suburbanization. This is because Los Angeles emerged as the world's first large, low-density urban area. Two factors contributed to this:

(1) The urban area was served early by what was perhaps the world's most expansive interurban rail system. This allowed people to purchase residences far from the central area.

(2) The rate of automobile ownership in Los Angeles led virtually all other major urban areas.

While contrary to local views, Los Angeles was not the home of the first controlled-access highways (they were in the New York City area), yet more people had cars earlier in Los Angeles than elsewhere.

By 1950, Los Angeles had become the nation's third-largest urbanized area. It was also the least densely populated out of the 12 urbanized areas with more than 1,000,000 residents. At 4,589 persons per square mile, Los Angeles had less than one-half the density of New York and Philadelphia. The other 11 large urbanized areas had an average density of 7,075, more than 50 percent higher than Los Angeles.

Even western urban areas such as Seattle, Sacramento, and Denver were more dense than Los Angeles. Portland's density was almost exactly the same as Los Angeles in 1950, at 4,500 per square mile.

But in the intervening years, Los Angeles, which had led the nation in low density development prior to 1950, emerged as the nation's highest-density urbanized area. In 1990, the Los Angeles area reached 5,800 per square mile, ahead of second-ranked Miami (5,425) and New York (5,407).

## Portland's Smart Growth Myth

Over the past twenty years, Portland has adopted so-called Smart Growth policies, including an urban growth boundary inside which virtually all urban growth is to occur. Government and popular literature have been filled with salivating reviews of Portland's success.

But during the 1980s, after adoption of the urban growth boundary, Portland's density of new development trailed that of all major western urbanized areas except Seattle. Furthermore, Portland is a very-low-density urban area, both in its central city and its suburbs. By 1990, the Portland urbanized area was 3,021 persons per square mile, barely half that of Los Angeles.

Some planners believe Los Angeles has more uniform densities and does not have the high corridor densities and pockets of density of other urban areas. Parsons Brinckerhoff planner G. B. Arrington, a former transit planner in Portland, has written: "Portland has focused density in centers and corridors served by transit. Los Angeles density is more uniform, not concentrated. As with much of the mythology that passes for conventional wisdom, a review of the facts reveals otherwise."

To read the report in its entirety, please direct your browser to: <http://www.demographia.com>.

Speaking with Christine Mele,  
Pamlico County Commissioner

By ERIK ROOT  
Assistant Editor

Recently, *Carolina Journal* had a chance to interview Christine Mele, a county commissioner in the coastal county of Pamlico. We first asked how she came to be in office.

Christine Mele: I have no real political background, but I have always been very concerned about the expansion of government. We have seen it here with the restrictions on the use of private property. I got involved in local politics several years ago when one of the county commissioners moved out of the county and I was asked to serve the remaining year of a four-year term. That was my introduction.

I ran for that particular office at the end of the year and did not succeed. It was an at-large position. But I continued to go to every county commission meeting for the next two years and did not miss one. I then ran for the district position when that became available. The commissioner from this particular township decided not to seek re-election. I literally travelled hundreds of miles on my bicycle with a group of friends campaigning for the position — which is a little difficult in a rural county.

CJ: Tell us about your changing views on schools. You were a public school teacher at one time.

Mele: I was very closed-minded, shall I say, about the idea of options such as private schools and other education options. I find it very interesting that once you're out of a system, things can become a lot clearer. I found that I am much more open-minded with regard to such things as charter schools and vouchers. If it weren't for these ideas we would not be hearing the word accountability. I think competition is good.

CJ: What are the most pressing issues right now for Pamlico County?

Mele: We are still fighting to expand [Highway] 55. We are the only county left in the state of North Carolina that has no four-lane road. It is very dangerous to travel on that road, the county is shut down. You can't get emergency vehicles down that road. For safety's sake, and even the growth of the county, it would be nice to have it widened and it is supposed to happen.

There's also an issue with regard to county sewer. They are not fiscally in great shape, but they want to expand and expand. It is interesting that they want to expand into different areas of the county and yet we get another message from the state about restricting growth in waterfront areas. The message is we want the sewers to go here, but we don't want you to live there.

CJ: What is the argument for extending the sewer lines?

Mele: I think they believe that by expanding the sewer district and drawing more customers in, they can increase their financial base. However, one of my jobs as a commissioner is to try to inform the people that are in these particular areas that have perfectly good septic systems that sooner or later they are going to lose their rights to use their system and will have to hook up to the district. That is my problem with it, we are

restricting the freedom of choice.

The district claims that some of the systems are failing, but those that are failing are very small compared to the number of total systems that exist. If you have an area that has 700 homes and businesses, and only 15 have failing septic systems, do you spend \$5 million to expand the system when you have so few systems failing?

They are going to have to hook up to the system and then they will be at the mercy of the sewer district. There are options available. There was a system put in Oriental that involved moss. It was put in at a house right on the river. It is fascinating. There's also some technology using algae which absorbs different nutrients from the waste.

CJ: What are some current attitudes towards government that you think have changed?

Mele: One of the things I am so concerned about — and it is interesting as I explain this to people, they nod their head and say "you're right" — is this: government funding of organizations and causes that used to be totally privately funded. I see this more and more. The Red Cross, Big Brothers and Sisters, etc., coming to the counties asking to be put in their budget. It is becoming more and more acceptable to do this. What I try to tell people is that I think it is a commissioner's obligation to try and keep as much money in the taxpayer's

pocket so that they can make a choice as to where they want to spend their money. You choose whether you want to give to this or that organization or charity. It causes a little bit of concern.

When people say "she voted against giving money to 'teacher appreciation day,'" I ask whether it is the role of government to buy a corsage or a piece of cake, or a luncheon for someone. I used to be a teacher. The most amount of appreciation was not a piece of cake. It was a call or a note from a parent that said "thank you for helping my child."

CJ: What is the role of government?

Mele: The government should only do what we cannot do for ourselves, like providing protection against fire and crime.

CJ: Let's talk about the Global TransPark.

Mele: Well I will tell you, it is the government trying to manipulate the free market. I am very much against it. We ought to let the market work for itself. Pamlico County — I hesitate to use the word "contribute" — they took money from this county to the tune of \$170,000.

The TransPark authority is trying to justify its existence by appearing benevolent to Pamlico County. I mean this is our money, it is not just falling from the sky. Too many public officials are not questioning the material from the TransPark. They accept it. Several of my fellow commissioners think this is a great idea. But, of course, they were sold a bill of goods by their state elected officials years ago and they are still believing it. They don't want to believe what they were told is not true. Trying to extract yourself from this thing is embarrassing because, let's face it, they blew it.

One of my favorite quotes is from Ronald Reagan when he said that "the closest we will come to eternal life is a government program."



Pamlico's Christine Mele

From Cherokee to Currituck

# Convention Dreams; Annexation Nightmares; Property Theft

By ERIK ROOT

Assistant Editor

RALEIGH

Johnston County is considering building a convention center, *The News & Observer* of Raleigh has reported. According to Donna Bailey-Taylor of the Johnston County Visitors Bureau, "It's been a goal for us to look into [a convention center] for growing the tourism product in the county. It's been in our vision plan for several years."

The area's hotel and motel owners oppose the plan because the Visitors Bureau wants to fund the scheme through an increase in the local occupancy tax.

At least one county commissioner is not supportive. "With the facilities over there in Raleigh, who's going to come down here for a convention?" Thomas Moore asked. "We might attract bootleggers or something like that, show them how to make corn whiskey. It's ridiculous to me. It's not going to help travel and tourism."

## Government Land-Grab

A new ordinance in the Town of Davidson requires 50 percent of land in new subdivisions to remain undeveloped. (See page 14 for more on this story.)

"We are going to declare war on them for what they're doing," said Hal Garmon, an owner of 65 acres outside Davidson since 1970. Landowners have organized an association called "STOP: Stop Taking Our Property" to battle the local government.

The ordinance would place limitations on landowners in the town's Extraterritorial Jurisdiction. For example, John and Baxter Fisher have wanted to sell their land and divide it among their heirs, but because of moratoriums and ordinances, they may never be able to do that.

Town planners devised a map requiring 50 percent to be taken for public benefit "and they're not paying the owners a penny," said Jim McKnight a representative for the Fishers.

"The town feels like they ought to be able to take half my property," Garmon said. Landowners are reportedly going to picket town hall meetings until they get back what they already own: their land.

## "Smart Growth" = NIMBY

The Greensboro City Council believes that most arguments against rezonings boil down to "we can't stand the thought of

anything that's going to change our neighborhood the least little bit," according to *The Rhinoceros Times*. The council is "beginning to develop a certain skepticism over homeowners crying that the shadow of nearby townhouses will foul their homes."

Such is the case concerning a council decision on an infill project put forth by developer David Michaels.

One of the problems with the argument is that protesters say that townhouses or apartments will disrupt the "harmony" of their neighborhoods, but they do not define "harmony," growth supporters say. They also say that protesters also claim that the proximity of such developments will devalue their property without providing any specific proof supporting their arguments.

Weary of these disputes, the city council ruled in favor of the developer's plan.

## Cary's Annexation Dreams

The town of Cary has been on an involuntary annexation binge of late, and the residents of areas slated for forced annexation are fighting back, *The Cary News* has reported.

Residents of Medfield, Kingsbrook, Summerwinds, Triangle Forest, Hillside Forest, Greenwood Acres, and Bud-El recently addressed the town council.

Impact fees from the town are also applied to areas it annexes. Recently these impact numbers have reached up to \$23,000 per house — a figure that some say will force them from their homes.

"If you annex us, the cost to us needs to be zero," Summerwinds resident Dick Bloom said. The town council under Mayor Glen Lang is the first to require fees when annexing areas.

Obviously, it costs less to hook up an area that exists near water and sewer lines than it does to hook up an area far away. Nevertheless, the city's fees remain the same for all newly annexed homes. Even if the town does not charge residents to hook them up to the city lines, residents will still have to pay thousands to plumbers to hook up the lines to their homes.

Prices range from \$2,700 to \$6,500. None

of these costs and fees include the increase in tax rates that comes from joining a city.

## Mudcats Hit a Snag

The Carolina Mudcats, a AA minor league baseball team in Zebulon, may be kicked out of Five County Stadium unless the team can reach a long-term lease agreement with Wake County, *The Herald-Sun* of Durham has reported.

The Triangle Regional Sports Authority has filed a lawsuit in Wake County Superior Court to ask a judge whether the current lease is valid.

In 1998, Zebulon issued \$10.4 million in bonds to upgrade the stadium. The team and town initially agreed on a 20-year lease requiring the team to pay \$40,000 to \$45,000 a year. After the 1998 bond, that figure increased to \$57,500.

Apparently the team has been sending in the payments, but the city has not cashed the checks because the authority says it did not agree to the amount the team would pay. Clyde Holt, an attorney for the Authority, implied that the city needed more money because "things are tough for small municipalities right now."

## A Sewer Back-Up In Durham

Durham County Commissioners are saying that the City of Durham owes them more than \$1 million for sewer bills that

date back to 1988, according to *The Herald-Sun* of Durham.

It seems that many of the bills were miscoded and never paid to the county. Deputy County Manager Wendell Davis said that a review of 2,100 bills found the county had received no payment 52 percent of the time.

Durham City Manager Greg Bethea said the county owes the city upwards of \$1 million for using the city's radio system.

Durham County is also moving forward independently on a sewer project that consultants claim would save \$2.5 million if the county and city would merge their systems.

## Meck. Schools Can Name Rooms

*The Charlotte Observer* has reported that the Charlotte-Mecklenburg School Board has approved a plan to allow classrooms, libraries, gymnasiums, and other property on public school grounds to be named after donors.

Under the plan, businesses that donate equipment or money, or help write curricula for the schools, can be "thanked" with a plaque on a wall. There is no dollar limit to gain the privilege of having something named after a business or individual, the *Observer* reported.

In response to some concerns, the new policy does not allow businesses to have entire schools named after them, so there will be no "Coca-Cola High" or "Nike Middle" schools. Only parts of schools can be named after corporate sponsors.

This practice is becoming more common in North Carolina. A technical school in Gaston County and the N.C. School of Science and Math have rooms named after corporate sponsors. CJ

# Advertisement

## Center for Local Innovation



New Ideas for Governing North Carolina's Cities and Counties

200 W. Morgan St., Suite 200  
Raleigh, North Carolina 27601

**Hon. Tom Fetzner**  
Director, Center for Local Innovation  
Former Mayor of Raleigh

Can local governments deliver good quality services without raising taxes?

North Carolinians looking for the answer to that question need look no further than the **Center for Local Innovation**, headed by Tom Fetzner. Its mission is to identify and promote efficient, effective solutions to problems in local government using such tools as competition, new technologies, and activity-based costing.

To obtain more information about CLI, and subscribe to *Prism*, its weekly e-letter, call Erik Root at 919-828-3876.

## From the Liberty Library

• What is America? This is a question that American Studies, a major that has sprung up at many American universities in the past 40 years, is supposed to answer. A quick browse through the American Studies book catalogue of the Duke University Press reveals that — surprise! — lots of university professors think America is a racist, sexist, nasty place. It also reveals that these “academics” remain obsessed with the topics of race, sex, and class and just can’t seem to think of anything else to write about. Duke’s American Studies titles include these beauties:

- \* *A Not So Foreign Affair: Fascism, Sexuality, and the Cultural Rhetoric of American Democracy*;
- \* *American Anatomies: Theorizing Race and Gender*;
- \* *Assimilating Asians: Gendered Strategies of Authorship in Asian America*;
- \* *Between Jesus and the Market: The Emotions that Matter in Right-Wing America*;
- \* *In the Name of National Security: Hitchcock, Homophobia, and the Political Construction of Gender in Postwar America*;
- \* *Gumshoe America: Hard-Boiled Crime Fiction and the Rise and Fall of New Deal Liberalism*;
- \* *From Walden Pond to Jurassic Park: Activism, Culture, and American Studies*;
- \* *Erotic Innocence: The Culture of Child Molesting*;
- \* *Cultures of United States Imperialism*;
- \* *National Manhood: Capitalist Citizenship and the Imagined Fraternity of White Men*;
- \* *The Color of Sex: Whiteness, Heterosexuality, and the Fictions of White Supremacy*.

The list goes on and on like that, up to 81 books. With books such as these shaping the academic world’s perception of American culture, it’s no wonder so many college grads these days have a particular distaste for their own country.

• However, every now and then someone publishes a new book on America that one may actually want to read. This month Random House published a new novel by Jeff Shaara, author of *Gods and Generals* and *The Last Full Measure*. Shaara’s new work is titled, *Rise to Rebellion*, and is a novel of the American Revolution. The book is new this month and can be previewed at the website, [www.randomhouse.com](http://www.randomhouse.com).

• Random House also has published a follow-up to Tom Brokaw’s smash, *The Greatest Generation*. The new book, *The Greatest Generation Speaks*, is an edited collection of the letters Brokaw received from members of the World War II generation who wanted to tell of their own experiences. The letters range from octogenarian veterans who tell of their first-hand accounts on the front lines (including one eyewitness of an atomic bomb blast) to wives who explain what it felt like to wait at home and raise children while their husbands fought abroad. The book was published last month and also may be previewed on the Random House web site.

## On the Culture

## Baby Boomers’ Guiding Philosophy: Self-Interest

By ROY CORDATO  
Contributing Editor

RALEIGH  
Fritz Perl once summed up the collective mentality of the Baby Boomer generation when he said, “I do my thing, and you do your thing. I am not in this world to live up to your expectations, and you are not in this world to live up to mine.”

During the 1960s and 1970s, the biggest worry of my parents’ generation could be captured in one horrifying (to them) question: “What’s going to happen when these kids take over?”

Along with many others of the WWII generation, my parents were fearful that the “do your own thing” mentality would create an “anything goes” society.

Alas, these fears were unfounded. Indeed, quite the opposite has occurred. The self-proclaimed “freedom lovers” have grown-up to become control freaks.

## From Freak To Control-Freak

Over the last 20 years, as Boomers have moved into positions of power, the sentiment of tolerance expressed by Fritz Perl has disappeared. My parents were certain that by now, marijuana, LSD and other popular drugs of the day would have been legalized. Not only has this not occurred, but since Boomers have obtained the reins of government power, they have sought to extend the prohibitionist mentality, not rescind it.

In the last decade there have been calls from government officials and political advocacy groups, led by former 60s activists, to use government power to discourage the consumption of anything that might be considered unhealthy — from cigarettes and alcohol to fatty foods and soda pop. The former idealism of the boomer generation can now be summarized as “do your own thing, unless it imposes costs on the health care system.”

But the war on tobacco and other “decadent products” is only the latest in the Boomer generation’s metamorphosis. The 1960s-born environmental movement has done the most to foster the control-freak mentality. In the name of saving the environment, more nails have been placed in the coffin of the “do your own thing” philosophy than in pursuit of any other popular cause.

Politicians and bureaucrats from the “do your own thing generation” have made laws that mandate how to dispose of trash; the amount of water we can have in our toilets; the kind of cups we can drink our coffee from; the kind of washing machines we must buy; what we can do with dirt on

our property or the pond in our backyard; how we must grill hamburgers; and what size cars we can drive. To get people out of their cars, possibly the most liberating invention ever, and on to trains and buses, “Smart Growth” advocates have been successful at using government power to tell us where we can live; where and how we travel to work; and how much land our house can sit on.

Then there are the attempted controls that have failed, at least so far. The Clinton health care proposal of 1993 included heavy penalties for doing your own thing. It would have mandated our choice of doctors; that everyone purchase health insurance; who we could buy that insurance from and at what prices; and the choice of specialties that medical students could pursue.

Maybe we were right in the 1960s after all, people over thirty just can’t be trusted — with our liberty.

Nowhere has the control-freak mentality manifested itself more powerfully than in academia, where tenured Baby Boomer professors are now in control of university policies toward both students and fellow faculty members. Speech codes and mandatory indoctrination sessions, in the guise of sensitivity training, are the norm on many college campuses. Formerly counterculture professors have replaced Perl’s open ended declaration of tolerance with a level of intolerance and manipulation that is completely inconsistent with academic freedom.

Why the sea change? Has the Boomer generation gone through some great philosophical revelation? Let me suggest that the change has had nothing to do with philosophy. Indeed, contrary to popular mythology, idealism explains very little about the dominant views of the Baby Boomer gen-

eration. In reality, there has been one consistent motivating factor throughout—self-interest.

## Economic Man: There All Along

Some simple economic analysis explains a great deal. In the 1960s and 1970s there were net benefits to advocating tolerance and a “do your own thing” philosophy. Many baby boomers simply wanted to live counterculture lifestyles that were antagonistic to the lifestyles of their parent’s generation. There is a simple reason why Baby Boomers wanted people to be tolerant of recreational drug use and loosened sexual mores — they wanted to take drugs and have sex.

They were against the Vietnam War and the draft because they were the ones fighting the war and being drafted. Former President Clinton’s willingness to send troops all over the world and the growing support among Boomers for “mandatory community service” requirements in schools demonstrates that the real issues were never about pacifism or a principled opposition to compulsory service.

As Baby Boomers have moved into positions of power, the cost-benefit calculus has changed. If one has power, no personal advantage can be gained by not exercising it. A bureaucrat working for a government agency cannot advance in terms of income or personal prestige without continuously having more regulations to promulgate.

The Environmental Protection Agency, the Fish and Wildlife Service, the departments of Energy and Education, etc. would all soon disappear in a society that accepted Fritz Perl’s philosophy. Intolerance coupled with the power to impose one’s own thing on others is the lifeblood of a government regulator.

What all this highlights is how non-idealistic the ’60s generation has actually been. When ideals have gotten in the way of self-interest and personal gain, it has been the ideals that have been tossed aside. There are really no inconsistencies in the journey from do-your-own-thing to control freak. Indeed Boomers have simply been very good at identifying personal costs and benefits and at using government power to advance their own interests.

It is no coincidence that in the 1970s, Boomers became known as the “me generation.”

CJ

*Cordato, a Baby Boomer whose favorite Boomer band is The Raspals, is director of research at the John Locke Foundation.*

## Book Review

## Knowledge Suffers from the Stifling of Free Speech on Campus

By KORY SWANSON

Contributing Editor

RALEIGH

• Martin P. Golding, *Free Speech on Campus*, London: Rowman and Littlefield, 2000, 117 pages, \$17.95.

A troubling tension exists in our institutions of higher learning. On the one hand, the free speech provision that lies at the core of our notion of a university as a marketplace of ideas seems to allow lying. That is, untrue things can be said and advocated. On the other hand, the bulwark of academic ethics is scrupulous honesty.

As Duke University philosopher Martin Golding explains in his slim, but very important book, *Free Speech on Campus*:

“Don’t cheat” is a prime rule of academic ethics: no “cooking the books”; no falsification of data; no misrepresentation of evidence and arguments. The honesty required of the scholar-teacher, an honesty that should be inculcated in students, rules out bias in the search for evidence and the dissemination of results to other researchers and to students.

The most insidious form of cheating, Golding goes on to tell us, “is politicization, whether in scholarship or teaching, when materials are misstated or distorted in behalf of a partisan cause.”

Political correctness is the form of distortion we most commonly associate with the politicization of scholarship and teaching. Political correctness, whether in the

form of speech codes, faculty selection, curriculum, research, or teaching has deleterious effects on free speech and the free exchange of ideas, and calls into question the very nature of the university.

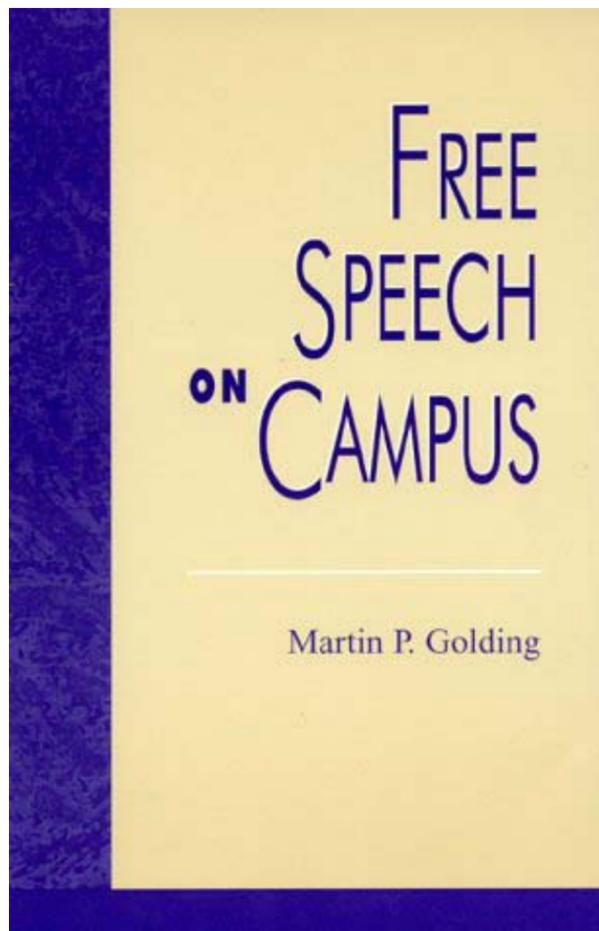
In *Free Speech on Campus*, Golding reminds us that institutions are brought into existence because of a social need. As a kind of institution, the university is a “special purpose” institution. That is, it fulfills needs that other institutions don’t fulfill or fulfill in a different way. In the case of the university, that need is the organized pursuit and dissemination of knowledge.

When that need exists, when conditions are ripe, and when human beings put their minds to it, universities are likely to develop. One may say that the university is a form of institutionalized rationality.

However, the need for a particular institution may wither. In the ideal of the university, the institutional ethic of scrupulous honesty limits the effects of speech that mislead or is false. The vitality of the university depends on its members (faculty, students, and administrators) understanding and respecting the nature of the institution and its values. Without such understanding and respect, the university is hard pressed to exist.

The shell of the institution may remain but its inner substance will be gone.

This is a central question of *Free Speech on Campus*: does the need for the university, i.e., for institutionalized rationality, still exist? Golding provides an answer to this question by way of an examination of the university’s inner substance, what he calls the “constitution of learning.” His answer is yes; the need for institutionalized rationality exists. But, the “constitution of learning” is in danger and we must be on guard.



A core feature of the constitution of learning, Golding tells us, is the “conversation to which the presentation of evidence and arguments and their critical evaluation are central, both with respect to the dissemination of knowledge and its advancement.”

Proponents of political correctness, however, are attempting to transform this institutional procedure of learning, where

beliefs and views are examined philosophically, to a procedure wherein beliefs and views are held unphilosophically. In an institution of this type, certain views and beliefs stand as community wisdom, articles of faith, not to be subjected to the rigors of critical evaluation.

In *Free Speech on Campus*, Golding patiently and respectfully examines the arguments for the institution of speech codes and other strictures on speech on campus. The book is tightly argued and is a model of what the constitution of learning is about. It is the best book we have to date about free speech issues on campus.

Golding shows that the justifications offered by promoters of speech codes and other restrictions on free speech fall flat. However, this has not stopped the proponents of political correctness from marching on, and this is the troubling thing.

The proponents of political correctness do not acknowledge the institutional ethic of the university — the philosophical examination of ideas, beliefs, and views. If they succeed in trampling the constitution of learning, then the the university as we know it will no longer exist; only the shell will remain. CJ

Swanson is vice president for administration at the John Locke Foundation.

## Film Review

## Artificial Intelligence Could Have Used Some Real Intelligence

By ANDREW CLINE

Managing Editor

RALEIGH

Like other projects nurtured by the late director Stanley Kubrick, the film *A.I.* (for artificial intelligence) is like a sprinter trying to run a marathon: It gets off to a strong start but makes a feeble, wheezing finish.

This is due in part to Kubrick’s bad habit of selecting short stories as the bases for his films and in part to director and screenwriter Steven Spielberg’s penchant for schmaltzy Hollywood pabulum, not to mention a story that falls apart in multiple places.

The film starts strongly in that it immediately grips the viewer and draws him into both the story and the visuals. Unfortunately, the story itself doesn’t start as well as its visual presentation. It stumbles at the start and never regains its balance.

Despite the masterful Spielberg opening sequence, which starts with an arresting sweep over a flooded Manhattan and winds up in a dramatically lit corporate office filled with humans and lifelike robots, the premise that sets the story in motion is so utterly implausible as to put the viewer in a skeptical frame of mind throughout the rest of the much too long film.

The reason Manhattan is flooded is because, according to the narrator, the ozone hole got too big and the resulting global

warming melted the ice caps and flooded much of the planet. The loss of so many natural resources and lives to the sea ignited a scientific race to replenish the human population with robots.

If you know anything about global warming theory, right now you ought to be scratching your head.

Spielberg, who wrote the screenplay for *A.I.* and directed it, mixed up two completely different environmental theories. The ozone hole lets in ultraviolet rays of sunlight, thus potentially impacting the incidence of skin cancer, but has nothing to do with the buildup of greenhouse gases, which are 96 percent water vapor.

Under the global warming theory, greenhouse gasses build up in the atmosphere and keep heat from escaping into space, thus warming the earth. How this happened in the *A.I.* story is not explained, and it needs to have been, given that even under the highest projections of global warming theorists the Earth’s temperature would rise only a few degrees over the course of the next century — and that probably overstates the likely change.

So the film begins with an entirely implausible theory and then launches imme-

diately into another, which is that man can create robots that genuinely love and therefore morally obligate humans to love them back.

This is not a new concept in science fiction, but Spielberg treats it as if it is. Spielberg’s ability to view old topics in new ways (*Saving Private Ryan* and *Schindler’s List*, for example) has been one of the primary reasons for his success. He has been able to give us new eyes with which to see the familiar.

But this talent serves the director poorly in the case of *A.I.*, in which he would have done better to have explored the previous work on his subject more fully before filming it.

The clumsy handling of the storyline hinders the viewer’s ability to suspend disbelief, which is absolutely essential for any science fiction story, especially one that attempts so strong a tug at the heartstrings. Without believability, a would-be heart-wrenching film becomes sentimental pap. And that’s what *A.I.*, which has many excellent moments, collapses into in the end.

The story focuses on David, a child robot created to give childless parents a substitute offspring to love that will love them in return.

“Without believability, a would-be heart-wrenching film becomes sentimental pap. And that’s what *A.I.* collapses into.”

David is clearly a robot (called a Mecha, short for mechanical) that has to be programmed before he can express the outward symbols of emotion that cause humans to respond to him in an emotional way. His adoptive mother reacts strongly to David’s programmed responses, but finally gives him up, knowing he’s only a robot, when her own son unexpectedly recovers from a near-fatal accident.

David is then thrown into the cruel world, where he meets a friendly (because he’s programmed to be that way) robot gigolo on the lam. The two set off on a quest for the Blue Fairy, the character in *Pinnocchio* that turned *Pinnocchio* into a real boy, because David thinks that his mother will love him if he’s a real boy.

This self-motivated quest convinces David’s scientist creator that David truly does feel love. But this conclusion represents a gigantic logical leap, and it is never fully explained.

It is more plausible that David’s program, like a chess-playing computer, figures out the quickest path to the goal (winning his mother’s love) and is not self-motivated at all.

Add to this an unnecessary and too-long happy ending, and you have a film that is visually and conceptually entertaining but that leaves one ultimately dissatisfied and wishing that Stanley Kubrick, for all his faults, were still alive. CJ

## Editorials

## TESTING TIME

## Accountability due on state program

Most parents work very hard to nurture and educate their children. With the current debate over charter schools and school vouchers intensifying daily, it should come as no surprise that many parents are disappointed and angry with North Carolina over the state's approach to standardized testing for public school children.

Specifically, the deception and failure exhibited by the N.C. Department of Public Instruction with respect to fifth-grade math tests is both egregious and inexcusable. For that reason, the individuals involved need to be held accountable just as we are asking students to face accountability for their academic performance.

Henry Brooks Adams once noted that "a teacher affects eternity; he can never tell where his influence stops." One could say the same for test-makers and education policymakers. There is no question that children must be held to high standards and taught using a well-defined, well-rounded curriculum that will enable them to excel in life as best they can. North Carolina is now failing at this task.

The new fifth-grade End-of-Grade math test, which fifth graders must pass to be promoted, came with a "cut" score — the percentage of questions students had to answer correctly to pass — that had been set at 28 percent. Other end-of-grade tests had cut scores set only as high as 34 percent. As a result, passage rates were extremely high.

In the Piedmont Triad area, for example, 15 to 25 percent of kids were expected to fail the fifth-grade End-of-Grade math test yet in some schools the "passing" rate was up to 98 or even 100 percent.

Similarly, while 60 percent of students at the Triad's Peeler Elementary School passed their fourth-grade reading tests last year, 90 percent are reported to have passed this year. There are many more examples. One can be little more than incredulous, not to mention dumbstruck with disbelief, at such numbers.

One must even be more concerned about the effect on the children behind those figures. In Forsyth County, 91 percent of fifth graders passed the math exam. Surry County reported a 99.6 percent success rate. Wilkes County offered its own 98 percent passage rate.

Superintendent Don Martin observed that "some schools had no child fail the test."

A March study produced by the National Bureau of Economic Research found that North Carolina's accountability system for the testing program was riddled with problems of sample size, reliability, and statistical volatility. Much of the problem came from the reliance upon average scores across the state or within individual school systems.

"When test scores are based upon average performance of hundreds of teachers and thousands of students, the notion of holding individual students or teachers 'accountable' for their performance becomes vacuous," report authors Thomas Kane and Douglas Staiger wrote.

Even *The Wall Street Journal* has noted the absurdity of North Carolina's presumptions regarding elementary education testing. Observing that only "54 percent of black fourth graders passed their reading tests last year" in the Tar Heel state, reporter June Kronholz further noted that scores increased by only 0.6 percent in 2000, and the 1999 scores were up over 1998 by only .7 percent. To meet the state's 10-year deadline for being first in the nation, scores would have to increase by 4.6 percent every year for that period.

After the N.C. Department of Public Instruction called the testing problem a "grading glitch," John Locke Foundation President John Hood observed that "this wasn't an accident or the product of oversight. We now know the DPI had insufficient information a year ago with which to design a valid process for testing our students. They went ahead with the tests anyway, wasting taxpayer money and misleading parents and the general public about math achievement in our elementary and middle schools."

How does one measure true educational achievement and promote excellence in the minds of growing children? The only way to do it is by maintaining high standards and strict accountability, and rewarding innovation, achieve-

ment, and success. By lowering standards we do nothing but damage the future of our children, our state, and our nation.

Not only should public "education" officials in North Carolina be ashamed, so should every single citizen who votes to endorse the idiocy that gives rise to a system that says a 28 percent passage rate is a "success." We — and especially those public officials in charge of the matter — should bow our heads in shame.

And someone should be fired.

## HORNETS STUNG

## New "hive" a no-go, say Charlotte voters

On June 5, voters in Charlotte overwhelmingly defeated a referendum that would have authorized bonds worth \$190 million for an arena for the Charlotte Hornets basketball team and \$152 million for six other projects. With proponents of the issue outspending opponents by a factor of about 30 to 1, the event was also a welcome counter to those who believe that money buys everything in politics.

There are, however, even more important issues to be highlighted by this defeat about which we have spoken before. There are two central reasons this referendum deserved to fail. The first is that taxpayers should not be subsidizing any businesses at all, much less a multimillion dollar money-drain like the Charlotte Hornets. The second is that this represents "economic development" of the worst sort. Even the team claims it is losing \$1 million a year — without providing documentation in its pursuit of more taxpayer handouts. Much as with the Global TransPark, and as will likely be so with other "economic development" projects paid for with tax dollars rather than the risk capital of entrepreneurs, promises of incipient prosperity and jobs have been proffered in propaganda but never realized.

Some suggest the "Advisory referendum on Sports and Cultural Facilities" was rejected because Charlotte Mayor Pat McCrory recently vetoed a \$9 "living wage" — a fraud in and of itself — and that, as a result, many were mobilized to vote against the referendum package because they viewed it as a giveaway to the rich. Whatever one thinks about a "living wage," the referendum package *was* a giveaway to the rich — a transfer of wealth from the citizens of Charlotte to a gaggle of rich team owners and players.

Whatever their reasons, the voters of Charlotte made a sound decision. They weighed the issues, disregarded the scolding nature of some supporters' rhetoric, and exercised their franchise. As we have said before, if the Hornets want a lush new arena, they should find a way to pay for it. Given that numerous studies have shown that such complexes are at best irrelevant to urban economies and at worst financial drains upon the communities in which they are placed, it's time the Hornets built their own hive.

**Their entire approach comes across as an incumbent-protection plan with little other purpose than to squelch free debate.**

## VOTING GAMBIT

## Redistricting likely to be contentious

Every ten years states must engage in the laborious and usually tendentious process of redrawing voting districts at every level of government. As North Carolina begins this act following the 2000 census, it is as likely to be as conflicted now as it was 10 years ago.

The U.S. Supreme Court recently gave final approval to the 12th congressional district in its final of many permutations. Now that North Carolina has earned a new congressional seat, a 13th district must be carved from the Rorschach mosaic of racial gerrymandering that led to so much litigation for the state in the 1990s.

So we are faced with a new round at the local, county, and state levels. Local and county redistricting efforts tend to be less contentious because many localities leverage community interests by adopting at least some at-large districts to ameliorate the conflicts that may arise among disparate groups of voters.

At the same time, even with varied concerns by different segments of their populations, localities and communities tend to be more cohesive than the full state and so more amenable to compromise in the interests of comity. This is much less true at the state level and in the design and designation of federal congressional districts. And thus approaches the tempest.

Whatever the pious rhetoric about "democracy in action" and the "will of the people," there are two primary considerations that politicians take into account during this decennial enterprise. The first is how to protect incumbents of their own party, weaken the opposition, and increase the chance to gain seats by jiggling district lines to hurt the other side. In political parlance, this is gerrymandering.

The term comes from the efforts of Massachusetts Governor Elbridge Gerry in his effort to ensure the success of Democratic-Republicans over the Federalists in the 1812 election by concentrating, and therefore limiting, the power of the Federalists. When Gilbert Stuart, the famous painter and George Washington portraitist, saw a map of Gerry's work he said "that will do for a salamander." Then Benjamin Russell, editor of the Federalist *Centinel* newspaper, said in response, "A Gerry-mander you mean."

The second is the *de facto* quota system established to ensure the election of blacks. This is largely a creature of the Voting Rights Act. Curiously enough, the Voting Rights Act has itself led to gerrymandering. Indeed, many have made the legitimate argument that the 1982 revisions led to greater Republican strength by concentrating black voters in a few districts — which, because of many blacks' current preferences, vote heavily Democratic.

So, where does this leave us for the 2000 redistricting cycle? As the *Winston-Salem Journal* reported on March 22, state legislators "fully expect the state to be sued" again when they promulgate the 2000 redistricting plan. And legislators face a conundrum between edicts from the U.S. Department of Justice based on the 1965 Voting Rights Act and more specifically the 1982 revisions to that act. The U.S. Department of Justice (at one time and still to a de-

gree ordered by the federal courts), has claimed a mandate over the organization of Southern politics by claiming authority to dictate the racial makeup of our congressional districts. More recently, however, as indicated by the dispute over the 12th District and rulings by the U.S. Supreme Court, the tendency appears to be to move away from race-based gerrymandering. This is as it should be.

Yet North Carolina remains afflicted by a confusing array of unconstitutional federal interference in its politics, an imperial judiciary, and the parochial party politics practiced by Democrats and Republicans alike.

Another critical point to keep in mind is that North Carolina is becoming more urban and less rural. Wake, Durham, and Mecklenburg populations grew at a dramatically faster pace than the rest of the state in the past 10 years, with Wake alone growing by 48 percent. Interestingly, now with two "black" districts, the state's black population fell from 22.3 percent in 1990 to 21.6 percent in 2000. On the other hand, the proportion of resident Hispanics from 1990 to 2000 grew fivefold. Perhaps they need their own congressional seat, too.

This is not so farfetched. Edna Campos, an Hispanic activist from Asheville, said that "we have enough people for a district of our own. We're the reason North Carolina has one more congressional delegate. We'll be telling Raleigh that."

So aside from the increasingly and regrettably racial drive behind redistricting, the census numbers also indicate that the South continues to grow in political strength and that, at least in North Carolina, the balance between rural and urban interests is shifting. This does not mean, however, that we should surrender to the racial divisiveness of modern liberalism and toss our constitutional rights to the subversive influence of political correctness. As James Madison wrote in *The Federalist* No. 10, "the inference to which we are brought, is, that the *causes* of faction cannot be removed; and that relief is only to be sought in the means of controlling its *effects*." Against the sage wisdom of the author of our constitution, we now live in an age when true federalism is dead and factionalism is not cautioned against but encouraged by our government at all levels.

We have no choice, given legal constraints, but to abide by the factionalist strictures of federal voting rights law as we watch the legislators on Jones Street parcel out the morsels of our new political power.

## BUILDING BEACHES

*Erosion "cure" may be costly*

**M**an too often inflates his own ability to influence the laws of nature and the hand of God. When it comes to shifting shorelines we sometimes think we can hold the ocean at bay. But Mother Nature is not so submissive.

Each generation of man lives only a short time compared to the geographic changes that nature inevitably brings to the shape of the land on which we live. The three central questions that arise are: 1) Should we be trying to shape the forces of nature? 2) If so, who should pay for any project so implied if it should be adopted? 3) If we assume that this is a governmental role, as many do, does government at any level have the constitutional and legal authority to engage in such activity?

Whether it's in the building of dams or reconfiguring our land with bulldozers, mining, forest clear-cutting, or any number of such activities, man has always tried to shape his natural surroundings to meet his own needs and desires. Whether we should try to manipulate the environment around us is a moot question, a point confirmed by history. But who should pay for these activities?

For power plants, mining operations, forestry, and housing development the answer is obvious. Those who have a sustainable economic interest in which consumers have a valued stake should invest their own capital, and that of their investors. Government has no role in such matters unless it involves a compelling state interest, an interest which must always be well-defined and strictly limited by constitutional and statutory law.

So should we be working on beach replenishment for eroded shore lines and, if so, who should pay for it? The first point is that the cost of such projects should be borne by those who would receive direct benefits from the efforts. They should then recoup those costs by raising their prices and, if necessary, local taxes. But that is a decision for them to make. Either they believe beach replenishment is an economical and wise investment or they do not. If it is, then the local community which derives the benefits of

investing in beach renourishment should pay the cost. To the extent that others benefit also, they will assist in the expense through higher prices when they visit the concerned beach communities.

As it is, we are seeing a high hue and cry against a Bush administration proposal to reduce the federal support for renourishment projects from 65 percent of the total it provides on older projects and 50 percent on new projects to the president's proposed 35 percent across the board. That would reportedly mean an additional \$5 million in annual expenditures for both the state and coastal localities. Based on a law passed in 1979, the General Assembly authorized the state to cover up to 75 percent of the remaining cost with local governments to pay the balance. As reported by *The News & Observer* of Raleigh the state plans to spend \$8.5 million for beach projects this year with localities kicking in an extra \$4 million.

Shore replenishment projects are not a one-time deal. They are on-going as beaches must be renourished every few years because of erosion. But in a year when the state budget is in dire straits can we afford \$11.8 million in expenditures on beach replenishment? And where does the

state get the constitutional authority to make such an expenditure? What provision of the U.S. Constitution gives the federal government legitimate authority to spend one dime, through the Army Corps of Engineers or any other federal entity, to restore beaches for the purpose of protecting the consumer and tourist interests of the North Carolina coast? We have been unable to find it. But then, when it comes to economic development projects — for that is what beach replenishment projects truly are — we know that no such provisions or authority exist in either the state or federal constitutions.

Lumberman Democrat Rep. Mike McIntyre, who also represents many coastal communities, has been quoted as saying that the proposed cutbacks in federal aid for beach replenishment represent "a prevailing attitude of discrimination against coastal areas." Excuse us. The making of law and public policy is all about making discriminating choices. Why should someone in Milwaukee, Wisconsin have to subsidize tourism on the Outer Banks of North Carolina? And given that there is no constitutional authority for either Raleigh or Washington to be engaged in this activity it should end. Today.

## Good News on Fatherless Children

**T**he old saw that "good news is bad news" is true. The news media often struggle with how to present positive stories or trends, while playing up the negative ones in front-page headlines or garish lead stories on the evening news.

The problem is partly consumer-driven — after all, viewers don't really care about the thousands of airplanes that land safely every day, only the rare crash — and partly producer-driven. Journalists are rewarded by their peers and bosses when they uncover something scandalous or tug at our heartstrings, when they "afflict the comfortable or comfort the afflicted."

There are few reporters who gain fame and fortune by pointing out that most politicians aren't bought and paid for, that our air and water are getting cleaner rather than dirtier, that plastics and pesticides save lives and open space, or that most people's lives are far easier, safer, and more luxurious than those of their parents and grandparents.

Consider how the news media responded to recent statistics from the U.S. Census Bureau about children and families. Most of the "prestige press" in Washington and New York reported the new numbers to mean that the traditional two-parent family was continuing its longtime decline. "The New Single Mom — Why the Traditional Family is Fading Fast," said the cover of *Newsweek* in a typical spin on the data.

North Carolina newspapers and television stations picked up national wire stories and added some of their own. "Bucking Tradition — One-Person Homes Outnumber Married-With-Family Units," read a May 23 headline in *The Charlotte Observer*.

The Greensboro *News & Record* story on the same day, which bore the headline "Families Change with Times," led off with the usual sneer about "the Cleavers" becoming a minority and quoted a smug policy analyst as saying that "it's not the '30s and '40s anymore."

### Family Formation and Social Outcomes

I did find some of these stories less annoying than usual. Sensitized by overwhelming research findings and new groups such as the National Fatherhood Initiative, reporters were finally noting the negative consequences associated with out-of-wedlock births and children growing up without both parents (and usually without fathers) in their lives.

Single parenthood correlates strongly with the possibility that children will be poor, fall behind their peers educationally, drop out of school, use drugs, commit crimes, experience mental illness, commit suicide, and become single parents themselves.

Basically, out-of-wedlock births and family breakups are at the root of many social problems. Not only are the results tragic for individual children and families, but they are extremely costly to taxpayers who must fund welfare programs and make up for the lost

wages of the dependent and unemployed.

The problem was that the largely negative spin in the news media about the new census findings was simply wrong. The Census Bureau had actually found lots of good news about children and families, but few noticed.

First, as *U.S. News & World Report* columnist John Leo and a handful of other commentators pointed out, you can't draw conclusions about the fate of the traditional family by measuring general household trends. You have to actually look at families with children. When the Census Bureau did so, it found that an increasing percentage of children are living with both of their parents, an unambiguously positive trend and one that will surprise many observers on both sides of the political aisle.

From 1995 to 2000, the proportion of children under 18 living with a single mother declined by 8 percent. Among blacks, the share of children living with two parents rose 12 percent — and 15 percent if you include both biological fathers and other married or cohabiting men in the household as "parents." Hispanic children also saw an increase in two-parent settings, while rates among white Americans haven't changed much in recent years.

Interestingly, there appears to be strong evidence that welfare reforms in the late 1990s contributed to these positive trends by discouraging out-of-wedlock births and family breakups. The increased family stability is occurring largely among low-income children most affected by the reforms.

Second, that two-parent families with children are declining as a share of all households is good news, not bad news.

Elderly Americans are living longer, either with their spouses or as widows and widowers, thus making up a larger share of all households. An unprecedented number of high-school graduates are going away to college, and thus no longer living under their parents' roofs. And recent increases in personal income have allowed unrelated, unmarried roommates to get their own apartments and homes, creating two separate "non-traditional" households where one previously existed.

These trends bode well for the future. Fewer fatherless children will translate into lower rates of poverty, crime, illiteracy, and welfare dependency. Taxpayers in North Carolina and elsewhere may well reap the savings in lower spending on Medicaid, prisons, and social services. The Cleavers are, indeed, moving back into the neighborhood, although they remain too rare in many.

Liberals who hate welfare reform, conservatives who hate popular culture, and journalists who prefer bad news to good have little incentive to trumpet this exciting news about children and families. But the general public — awash in pessimistic and misleading stories about how bad things are these days — deserves to know the truth.

## Editorial Briefs

*Electricities Reclaims Headlines*

Back before California's self-induced energy crunch stopped momentum for restructuring North Carolina's electricity markets, the state's 51 municipalities with their own power systems were working to turn a sow's ear into a silk purse. As a condition for participating in a newly competitive electricity market, the municipalities — represented by a membership organization called Electricities of North Carolina — had demanded a state-wide tax on customers to help pay off some of their municipal power agencies' \$5.4 billion in debt.

The gambit failed — not only because California's rate-regulation scheme (falsely called deregulation) gave restructuring a bad name but also because of Electricities' unpalatable demand for debt relief.

Now in a new expose by investigative reporter Pat Stith of *The News & Observer*, we learn that the lobbying efforts of Electricities for this tax increase included massive expenditures and possible conflicts-of-interest. In 1995, Electricities spent only \$3,724 on outside political consultants and lobbyists. Two years later, as the state legislature set up a study commission to examine electricity competition, Electricities spent \$214,000. By 2000, its budget for lobbyists and consultants approached \$470,000, a huge increase in just five years.

The organization also fashioned a unique relationship with its new CEO, Jesse Tilton. It agreed to pay him more than three-quarters of a million dollars as severance if the municipal power agencies either went bankrupt or sold their interest in Duke and CP&L power plants.

Furthermore, Alice Garland, who directs public affairs for Electricities, was allowed, at least indirectly, to hire her own husband's public relations firm to do work on the issue. At first, Tilton told Stith that Garland's division had not hired her husband's firm, Mike Davis Public Relations Inc.. He said that the board of directors had done so. Later, he suggested that the board had approved the public-relations campaign but not hired the PR firm because it "was already engaged by the organization."

Finally, Davis also benefitted indirectly from a contract with a political consulting firm in Durham. It received \$122,000 from Electricities in 1999 and 2000, then turned around and paid Davis \$26,000.

*Running the Numbers*

As state and local policymakers in North Carolina raise taxes or reduce spending growth to balance government budgets, few took notice of a new report from *Governing* magazine that compared the public finances of all 50 states and the District of Columbia.

The report, called *Governing's State and Local Sourcebook 2001*, provided both expenditure and revenue data for a host of government functions and categories.

Within the Southeast region, North Carolina retained its dubious distinction of imposing the highest state and local tax burden: 10.6 percent of personal income. The state ranked first in personal and corporate income tax burdens — indeed, North Carolina has some of the highest income taxes in the nation — and about average in sales tax burden. North Carolina's property taxes, however, were below average for the Southeast at 2.3 percent of personal income, compared to 2.7 percent in South Carolina and 3.1 percent in Virginia.

Why is North Carolina government relatively more expensive than that of its neighbors? The reason isn't public school spending, where the state is about average. Nor is it spending on police and prisons, where the state is at or below average.

The problem areas are higher education spending, where North Carolina is way above the national average, and health and hospital spending, where North Carolina also ranks highly. Data from the federal government suggest that our state has the most expensive Medicaid program in the entire South, reflecting higher reimbursement rates, lower cost-sharing, and recent eligibility increases.

## Gov. Easley Plays Reverse Robin Hood

By ANDREW CLINE

Managing Editor

Here's something to remember the next time the Democrats claim to be the party of the little guy: The Easley administration announced support in July for raising a regressive tax on families (the sales tax) while expanding tax breaks for major corporations.

Just after Independence Day, Commerce Secretary Jim Fain proclaimed that the state must increase the tax breaks it gives to large firms that agree to create jobs in North Carolina. A day later, Fain's boss, Gov. Mike Easley, announced that the state had to raise taxes to cover a revenue shortage.

Either someone didn't get the memo, or Easley is raising taxes on all of us so he can give even larger tax breaks to big corporations.

*Specious Economic Claims*

The governor claims that the state needs an additional \$700 million to \$800 million in revenue to pay for state services, which assumes that every penny the state spends (including every cent given away as a corporate tax break) and every penny the state proposes to spend is crucial to the proper functioning of state government.

Of course, this is ludicrous. Nobody believes that state government is waste-free.

And some of what has been wasted can be blamed in part on Easley himself.

The legislative fiscal research staff estimates that the state lost \$201.7 million from 1996 to 2001 through the numerous corporate tax breaks the state gives large firms in exchange for their creating jobs in North Carolina, which they almost certainly would do anyway.

As N.C. Attorney General, Easley defended the state in a 1996 lawsuit alleging that these corporate giveaways were an unconstitutional squandering of taxpayer funds. It was one of the few lawsuits Easley won as AG.

It's pretty ironic that the Attorney General who successfully argued the efficacy of the state's major corporate giveaway program is now proposing to raise taxes in part to replace funds lost through those giveaways.

If that weren't ironic enough, former Commerce Secretary Norris Tolson, who used to administer the state's corporate giveaway program, is now Secretary of Revenue. And the state's current chief of corporate giveaways, Jim Fain, used to run a major bank where he was charged with maximizing income.

It's pretty startling to see Easley promoting an economic policy that Democrats have long claimed to oppose — increasing taxes on the poor while cutting taxes on the wealthy.

According to the N.C. Budget and Tax Center, a left-of-center policy research group, Easley's proposed sales tax increase will take 0.57 percent of the income of families that earn less than \$15,000 a year (the bottom 20 percent of the

income distribution in North Carolina). It will consume 0.49 percent of the income of families in the top 20 percent of the income distribution.

Meanwhile, Fain is proposing that the state increase corporate tax breaks that already are estimated to cost the state \$1.37 billion from 2001-02 through 2009-10. That's more than \$1 billion the state could spend on education, prisons, or roads (or give back as a broad-based tax cut). Instead, the state's leaders would rather play the Big Cheese with well-heeled corporate types.

I wonder what the corporate executives, who achieved their wealth and clout in the private sector by producing things of economic value, think of the glad-handling pols whose power comes from the behemoth before which they stand rather than any personal accomplishment.

They must view them as either dupes or dealers — people who are so dim as to be easily persuaded of nonsense or who are so corrupt as to sell out their fellow man for a slice from the pie of power.

Politicians try to rub elbows with the executives as though they were the same kind of men (or women), but they aren't. The businessmen are smarter and shrewder, which is why the taxpayer's always the one who gets screwed.

*The Trouble With Incentives*

The N.C. Department of Commerce claims that these corporate tax breaks help the state economy. Yet no one has

been able to show that these breaks have had a single penny's worth of economic benefit for the taxpayers.

To benefit the general public, these "incentives" would have to result in either a net increase in the income of all N.C. citizens or a net reduction in the general tax burden. But the best that the Commerce Department can say about them is that they "create jobs," a specious argument that even some economic developers don't really believe. Study after study has shown that companies just do not place a high value on government "economic development incentives" when making relocation and job-creation decisions.

However, these incentives do have one proven impact — they corrupt otherwise good companies. That is, the mere existence of these tax breaks causes firms to ask for them. The best case in point: NASCAR.

As Don Carrington pointed out on Page 1, until recently NASCAR was the only "major league" sport that did not get government subsidies.

But two new NASCAR tracks, one in Kansas and one in Texas, have now received government "incentives."

Economic development incentives erode the tax base, corrupt firms and government officials, and have no broad-based economic benefit. Yet Easley is willing to raise taxes on everyone in part so he can increase corporate giveaways. And this is on top of his desire to tax the poor (via the lottery) to pay for a program that benefits everyone (public schools). Will someone please buy this man an economics textbook?

Cline is managing editor of Carolina Journal.

*Economic Outlook***N.C. Property Revaluation System Really Isn't That Bad**

By MICHAEL WALDEN

Contributing Editor

Several counties in North Carolina this year have undertaken real property (real estate) revaluations. When this happens, there are waves of protests from property owners suffering from "sticker shock" that comes from big jumps in their property values.

What troubles property owners is that big increases in their property values can lead to big increases in property taxes unless property tax rates are reduced.

Several questions arise from this issue. First, why can owners of real property in North Carolina see big jumps in their property values when revaluations occur? Second, do increases in property values automatically lead to big increases in property taxes? Third, is there a better system for collecting property taxes that would avoid the periodic rancor associated with sticker shock in property values?

*Time Is Money*

The fundamental economic reason why real property values rise over time is because, in a growing economy, the demand for real property increases while the supply of real property remains relatively fixed. Recall humorist Will Rogers' recommendation to buy land because they're not making it anymore.

However, there's a further complication with the way real property is revalued in North Carolina. This is that real property is only revalued every eight years in our state. This is the longest period of time between revaluations of any state in the nation.

This means that even a modest annual increase in real property values can result in a major cumulative jump in value over eight years. For example, an annual 5 percent increase in real property values compounded over eight years results in a cumulative increase of 48 percent.

Real property is valued and kept at that value for eight years, and the property tax rate is applied to this value to produce property tax revenues. Then, a new valuation is done and this valuation is kept and used for eight years.

RALEIGH

This system is akin to using the same income for the next eight years for income-tax purposes. Only after eight years would a person's new income be taxed. And then he'd face "income sticker shock" because his new income, in most cases, would be much higher.

*Cycles in Tax Rates*

But doesn't this system work to the advantage of real property owners if the value of property, for tax purposes, is held constant for eight years while the true market value of the property is likely rising? Doesn't this mean real property owners pay less property taxes than they might have?

Not necessarily, for the simple reason that county commissioners can adjust the real property tax rate over the eight-year cycle. To see what typical adjustments are made, I examined annual changes in property tax rates in all 100 N.C. counties from 1980 to 1995. I found a very common and interesting pattern.

Between the eight-year revaluations, property tax rates increased an average of 2 percent per year. During the year when real property is revalued, property tax rates were reduced. Importantly, however, I found that the reductions in property tax rates during the revaluation years was less than the cumulative increase in the tax rate during the previous eight years.

So, real property owners get a "break" by having property values capped for eight years, but during that interval they pay a steadily increasing tax rate on their property. Furthermore, when property values are adjusted up every eight years, property tax rates aren't fully lowered to their level of eight years earlier.

*Is There a Better Way?*

Assuming local governments in North Carolina will continue using the property tax, the question is whether the system can be improved to avoid the sharp rise in property

values every eight years and the resulting ups and downs in property tax rates.

One option is to shorten the time between real property revaluations. This would keep the tax value of real property more in line with the market value and would lessen the incentive for county commissioners to change property tax rates.

But a disadvantage of more frequent revaluations is expense. There are significant costs to counties of complete real property revaluations, and these costs tend to be a bigger share of the county budget in lower-income counties.

An approach followed by many states is to annually change real property values by some external index like the Consumer Price Index. Or, limited sample revaluations are done each year and the results are used to adjust all real property values.

Of course, a problem with both of these methods is there's no assurance the values of all properties will change at the rate of the external index or of the sample properties. Although adjustments could

be made when complete revaluations were done, there is the thorny issue of how property owners who were overcharged in previous years would be compensated.

This brings us back to the current system. Although it does have flaws, the current system also has a major advantage. With real property values fixed for eight-year intervals, in most situations county commissioners must increase tax rates to collect more revenues. This forces county commissioners to convince owners of real property why more property tax revenues are needed and why the current system isn't providing them. That is, commissioners must increase property tax rates in the open by persuasion rather than by stealth. Isn't this exactly what we taxpayers want?

CJ

Walden is an NCSU economics professor and an adjunct scholar with the John Locke Foundation.

**U.S. Capitol Visitor's Center Is A Long Overdue Perk**

By MARC ROTTERMAN

Contributing Editor

During my teenage years my father worked for a member of Congress, and I frequently had the opportunity to drop him off at the foot of the Capitol building.

In those days, there were no cement flowerpots blocking the entrances to our nation's legislative body, the police were laid back, and Washington was essentially a small town, with no subway and relatively little thought of crime or terrorism. Pennsylvania Avenue was open and one could drive by the White House and admire the building.

But after the Oklahoma City bombing, all that changed. Pennsylvania Avenue in front of the White House is now closed, and most of the streets that lead to the entrances of the White House have guardhouses and cement barricades. It is what I envision check points in parts of the Middle East to be like.

Think of how much our culture has changed in the last 70 to 80 years. During the first few decades of the 20th Century, motorists, when it rained, would pull their cars under the front portico of the White House to avoid a downpour.

Now, as I mentioned, Pennsylvania Avenue is blocked off in front of the White House and you must navigate chain-link fences to get a clear view of the house that Lincoln, FDR, and Reagan occupied.

Many young people use the street as a place to roller blade, and there has been some talk of making a park out of that stretch of Pennsylvania Avenue. Some longtime D.C. residents even hold out hope that President Bush will reopen Pennsylvania Avenue to traffic, reversing Bill Clinton's decision to close it.

Realistically, Washingtonians know that the Secret Ser-

RALEIGH

vice will advise the President that reopening Pennsylvania Avenue would be a huge security risk. And, after the Oklahoma City tragedy, who can blame them?

As a teenager, I saw the Capitol as a monument/office building. Today I see it as the symbol of democracy and hope it has become so for the world. When I walk its halls now, I see the history, the struggle, the drama, the sacrifice, and the courage these walls have witnessed. From the laying of the cornerstone by Washington in 1793 to the newest plans, this building is the spot where many of the great American political stories have been begun.

The Capitol is a symbol of endurance. It has been built, burned, rebuilt, expanded, "domed," and now, long over due I might add, it will get a last and much needed addition — a new Capitol Visitor Center.

When completed for the Presidential Inauguration of 2005, this will probably be the last major expansion of the U.S. Capitol.

We all know that the Capitol is the "working home" of our representative government. It is, and always has been, open to the public. But in truth, the Capitol was never designed to accommodate the enormous number of visitors that come each year. Every year more than four million individuals line up at some point on the East lawn to get inside. This fact alone is a testament to the connection between the building and the values of freedom and democracy it represents.

The new visitor's center will feature educational exhibits, auditoriums, enhanced security, food, restrooms, and shelter from the elements.

Our Founding Fathers never envisioned four million visitors a year coming to the Capitol, but it is a reality that must be dealt with. Discussions concerning a visitor's center have been going on since the late 1950s. Now within five years it will become a reality, and not a moment too soon for it is an idea whose time has come.

CJ

Marc Rotterman is a Senior Fellow at the John Locke Foundation and a Board Member of the American Conservative Union.

# Steal This Tablet

## Debate Continues on Bill to Post Ten Commandments

By JOHN HOOD  
Editor

At this writing, the North Carolina General Assembly is still debating a bill that would encourage local school districts to post the Ten Commandments in public schools.

Throughout debate on the bill this year, civil libertarians have expressed their worry that posting the commandments — considered sacred in both Judaism and Christianity — would violate the establishment clause of the First Amendment to the U.S. Constitution.

In an attempt to placate such critics, bill supporters changed the measure to suggest that public schools post the Ten Commandments not in a religious context but in an attempt to inform students about its historical role in influencing the Founders and shaping the early years of the United States.

Another amendment, sponsored by Rep. Paul Luebke (D-Durham), sought to allow schools to post the Ten Commandments only as part of a rotation of historical sayings or scriptures important to all of the world's major religions.

The amendment was defeated after both sides exchanged heated rhetoric about the intent and legality of the bill.

Still, what has gone largely unremarked on until now is what version of the Ten Commandments that public schools will be allowed or encouraged to post. Different religious denominations adhere to different

translations and interpretations of this pivotal passage of the Book of Exodus.

Catholics and Episcopalians, for example, do not recognize the same set of commandments as Baptists, Presbyterians, Methodists, and other Protestants. The former leave out the commandment concerning "graven images," but maintain the traditional number by splitting the commandment against coveting into two — one concerning a neighbor's wife (thus condemning lust) and the other concerning worldly possessions (thus condemning envy).

There is also the age-old debate about the meaning of "thou shalt not kill." Some use the older, King James translation while others say the word "murder" more accurately reflects the original meaning of the Hebrew text, which forbids not all taking of life but specifically premeditated homicide by individual civilians.

The interpretation debate became even more clouded recently when our crack team of investigative reporters here at *Carolina Journal* discovered that yet another translation, called the New Politicians' Version, was circulating throughout the Legislative Building.

As a service to you, the reader, we are printing it here along with the more familiar versions to demonstrate the difficulty lawmakers are having with the issue.

Which translation will they pick? We haven't a prayer of answering that question at this time.

## The Ten Commandments: Three Translations

### King James Version

1. Thou shalt have no other gods before me.
2. Thou shalt not make unto thee any graven image.
3. Thou shalt not take the name of the Lord thy God in vain.
4. Remember the Sabbath day, to keep it holy.
5. Honor thy father and thy mother.
6. Thou shalt not kill.
7. Thou shalt not commit adultery.
8. Thou shalt not steal.
9. Thou shalt not bear false witness against thy neighbour.
10. Thou shalt not covet anything that is thy neighbour's.

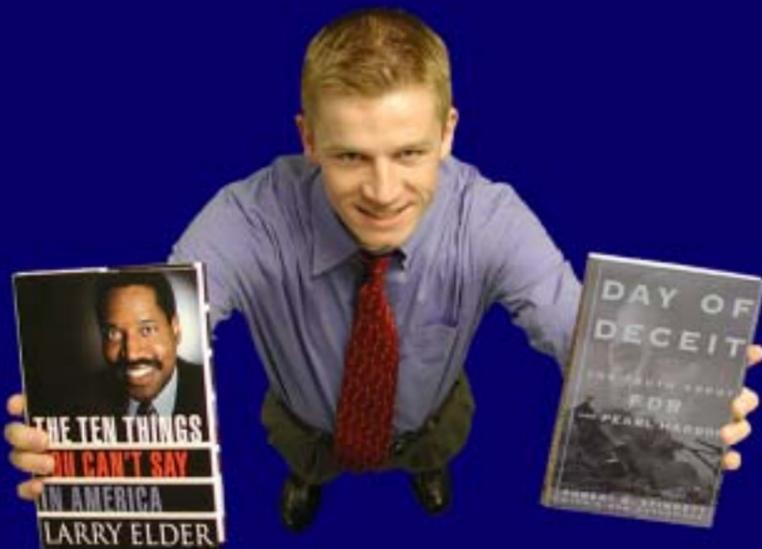
### New International Version

1. You shall have no other gods before me.
2. You shall not make for yourself an idol.
3. You shall not misuse the name of the Lord your God.
4. Remember the Sabbath day by keeping it holy.
5. Honor your father and your mother.
6. You shall not murder.
7. You shall not commit adultery.
8. You shall not steal.
9. You shall not give false testimony against your neighbor.
10. You shall not covet anything that belongs to your neighbor.

### New Politicians' Version

1. You may have as many gods as you wish, but you shall still obey us.
2. You shall not honor God with monuments on public lands. Statues of us are permitted.
3. You shall not misuse the name of the Lord your God. Examples would include praying in public or at school-sponsored football games and invoking God in public debate.
4. Remember the Sabbath day, but make sure to get a receipt if you want a tax deduction.
5. Honor your father and your mother, even though they do not have the right to decide what you shall learn and where you shall learn it.
6. You shall not murder, unless we say you can.
7. You shall not commit adultery. But we admit this commandment is hard to define; it often depends on what the meaning of "not" is. So use your best judgment.
8. You shall not steal. That's the government's job.
9. You shall not lie, except when you are engaged in a titanic struggle to defend the state, the Constitution, and the school lunch program against a vast right-wing conspiracy.
10. You shall not covet anything that is your neighbor's. But feel free to covet the possessions of the wealthy, since they probably aren't your neighbors. Still, obey the Eighth Commandment; if a rich person has something you covet, vote for us and we will steal it for you.

# After 4th of July



# SALE

## 50 - 80% off

[www.conservativemall.com](http://www.conservativemall.com)

Apparel - Books - Bumperstickers - Buttons  
CD's - Videos - Miscellaneous

[conservativemall.com](http://conservativemall.com)