

• **Forgotten History:  
Genesis of a Nation**

**Public Housing Debacles**

# CAROLINA JOURNAL

• **State Abandons  
Plan to Move DNPE**

**"Constitutional Chaos"**

Statewide Edition  
May 2005 • Vol. 14, No. 5

[www.CarolinaJournal.com](http://www.CarolinaJournal.com)

A Monthly Journal of News,  
Analysis, and Opinion from  
the John Locke Foundation

[www.JohnLocke.org](http://www.JohnLocke.org)

## It Took a Village to Stop Gold Mine in Stanly County



Photo courtesy of Joe Carter

Landowner Joe Carter shows a sample of gold in the Barringer mine in Stanly County.

*Senator helps create  
locality to thwart mining  
venture by landowner*

By **CHAD ADAMS**  
Contributing Editor  
and **PAUL MESSINO**  
Editorial Intern

STANLY COUNTY

**O**n June 26, 2003, Senate Bill 76 created the incorporated Village of Misenheimer. But the incorporation of 1.58 square miles and 739 residents is far removed from the typical "incorporation" in both property rights issues, special interests, and history.

Two primary players in the campaign to incorporate Misenheimer, Charles Ambrose, president of Pfeiffer

University, and Peter Edquist, a local resident, have told neighbors and local newspapers that they wish nothing more than to return Misenheimer to its traditional roots.

"The purpose of incorporation," Ambrose said, "is to maintain the identity of Misenheimer and extend that as an economic engine."

But to truly discover the identity of Misenheimer, we must start with 19<sup>th</sup> century resident Tobias Barringer. According to various newspaper accounts at the time, Barringer purchased the property around 1824. This simple, small plantation, by Southern standards, housed a few slaves and yielded a modest crop. One day while hunting squirrels on the property, Barringer noticed golden metallic flecks shimmering in a

*Continued as "Senator Helps," Page 3*

## Sen. Basnight's Aide Gets DOT to Take Project for Company

Blizzard pressured  
state officials to devote  
resources for technology

By **PAUL CHESSER**  
Associate Editor

RALEIGH

**A** fingerprint technology company promoted by State Senate President Pro Tem Marc Basnight received \$307,575 from the state's Tobacco Trust Fund, ostensibly

in exchange for relocating significant operations to North Carolina. The company, however, never complied.

After Privaris, Inc. completed a pilot project for the state Division of Motor Vehicles in 2003, company workers vacated their office space at a publicly funded business incubator in Williamston. Despite its failure to create 10 to 15 new jobs as promised in its contract with the Tobacco Trust, Privaris was paid \$132,575 in April 2004.

Sources with direct knowledge of the project say Rick Watson, executive director of the state-subsidized North

Carolina's Northeast Partnership, is a private investor in Privaris. Watson worked on obtaining funds for the pilot project despite his personal financial stake in the company, creating an apparent conflict of interest. He pressed for the April 2004 payment to be made.

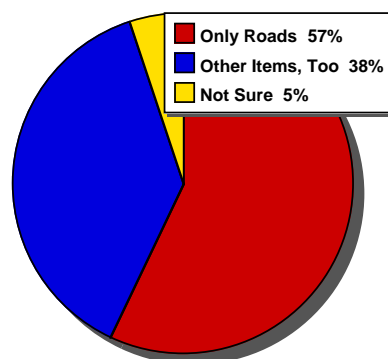
Documents obtained by *Carolina Journal* demonstrate that employees of the Tobacco Trust Fund Commission and the Martin County Economic Development Commission, which took over administration of the project from Watson, secured documentation to justify issuing the check. Privaris Vice Presi-

dent Steve McDorman wrote a letter for MCEDC's files that promised to "maintain expense report records... for a period of three years from the end of the project."

Documents show that MCEDC President Stan Crowe was assured by Tobacco Trust administrative assistant Amy Bissette that McDorman's letter would satisfy the state auditor if the grant was examined. McDorman's letter triggered the release of the check

*Continued as "Privaris Secures," Page 4*

NC Should Spend Gas, Car Taxes On...



% of N.C. Respondents in Oct. 2004 JLF Poll

### Contents

State Government	3
Washington Watch	6
Education	8
Higher Education	12
Local Government	16
Books & the Arts	20
Opinion	24
Parting Shot	28

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

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

Richard Wagner  
Editor

Don Carrington  
Executive Editor

Paul Chesser, Michael Lowrey  
Donna Martinez, Jon Sanders  
Associate Editors

Chad Adams, Shannon Blosser,  
Andrew Cline, Roy Cordato,  
Bob Fliss, David Hartgen,  
Summer Hood, Lindalyn Kakadelis,  
George Leef, Marc Rotterman,  
Karen Palasek, R.E. Smith Jr.,  
Jack Sommer, John Staddon,  
George Stephens, Jeff Taylor,  
Michael Walden, Karen Welsh  
Contributing Editors

Jenna Ashley Robinson,  
Paul Messino, Brian McGraw  
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

Jon Ham  
Vice President & Publisher

John Hood  
Chairman & President

Bruce Babcock, Herb Berkowitz,  
John Carrington, Sandra Fearington,  
Jim Fulghum, William Graham,  
Lee Kindberg, Robert Luddy,  
William Maready, J. Arthur Pope,  
Assad Meymandi, Tula Robbins,  
David Stover, Jess Ward,  
Andy Wells  
Board of Directors

Carolina Journal is a monthly journal  
of news, analysis, and commentary on state  
and local government and public policy is-  
sues in North Carolina.

©2005 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 CJ or the staff  
and board of the John Locke Foundation.  
Material published herein may be reprinted  
as long as appropriate credit is given. Sub-  
missions and letters are welcome and should  
be directed to the editor.

CJ readers wanting more information  
between monthly issues can call 919-828-  
3876 and ask for Carolina Journal Weekly  
Report, delivered each weekend by e-mail, or  
visit [CarolinaJournal.com](http://CarolinaJournal.com) for news, links,  
and exclusive content updated each weekday.  
Those interested in education, higher educa-  
tion, or local government should also ask to  
receive weekly e-letters covering these issues.

## 'Confusion' Led to a Possible Conflict

*Speaker Black spent discretionary funds on Rep. Owens' downtown property*

By DON CARRINGTON  
Executive Editor

RALEIGH

**R**ep. Bill Owens says confusion on the part of N.C. House Speaker Jim Black about where to spend state discretionary funds created what appears to be a conflict of interest for the Pasquotank County Democrat.

Last fall, Owens helped secure state grants that would benefit his downtown Elizabeth City real estate holdings, located on Main Street. The money came from discretionary funds Black and Senate leader Marc Basnight controlled in the Department of Transportation and the Department of Cultural Resources. *Carolina Journal* and *The News & Observer* first revealed publicly the existence of the discretionary funds last month.

However, Owens maintains he did not request money for Main Street, but for improvements on Water Street, which intersects with Main Street. He does not know how Black got confused and asked for money for Main Street.

"My first knowledge that all the money was going to Main Street was when I read it in the newspaper. I have refused to do anything unethical," he said.

### Main Street Champions

In January, Owens and his partner Zack Robertson were honored during the North Carolina Main Street annual awards dinner in Morganton by being named "Main Street Champions" by Elizabeth City Downtown, Inc.

"We're just investors buying property and fixing it up as we can afford to do it," Owens told *The Virginian-Pilot*. Owens was a Pasquotank County commissioner from 1976 to 1995 and since then has served in the N. C. General Assembly. Robertson is a former Elizabeth City Councilman.

Owens owns several apartments, retail space, and office buildings valued between \$2 and \$3 million on East Main Street, and as much as \$5 million total in the immediate downtown area. Owens and Robertson formed a partnership in 1991 and started buying downtown property in Elizabeth City.

### Streetscape improvements

Owens owns or has an interest in 10 or more properties on or adjacent to an ongoing Main Street improvement project referred to as a "streetscape." Streetscape involved new sidewalks, underground utility lines, brick street crossings, new pavement, new street lights, new benches, and new trash cans. Three blocks were finished last year. The additional grants from the state discretionary funds are to help finance two



Downtown Elizabeth City, where Rep. Owens owns property.

more blocks.

Owens told CJ that he asked the city to deal with Basnight in seeking the funds for the streetscape project, so that is what City Manager Rich Olson initially did. "I have had several conversations with Senator Basnight's office concerning completion of the Main Street Streetscape project. Senator Basnight has once again requested that we provide a cost estimate, so he can start the appropriation process. We will request \$500,000 from the Senator," wrote Olson in an October 2004 memo to the mayor and city councilors.

But Speaker Black ended up in the deal, as well. "Speaker Black has approved Bill Owens request of \$250,000 for the Main Street in Elizabeth City. Please find the enclosed letter for details. This is half of the \$500,000 needed for this project and Speaker Black would like to share the cost with Senator Basnight," read a memo from Black's office to DOT Secretary Lyndo Tippet.

On Sept. 20, 2004, Black aide Rita Harris sent to Donna Rosenfield, Legislative Liaison at the Department of Cultural Resources, a list of projects to be funded from Black's discretionary fund at that department. Among the projects was \$500,000 for the Pasquotank Arts Council in Elizabeth City. Each project also listed the name of a legislator, and in this case it was Owens.

The same day she received Black's request, Department Secretary Lisbeth Evans sent the Pasquotank Arts Council a letter informing the group that it had been awarded \$500,000 "for renovation of a downtown building for a cultural arts center." Prior to receiving the grant, the Arts Council claimed net assets of \$265,000 for the tax year ending June 30, 2004.

The organization is currently housed in a building on East Main Street and the new facility is also on East Main Street. The Council acquired the new building in 2002 for \$120,000. "Once

completed, this facility will play a pivotal role in transforming downtown historic Elizabeth City into a vibrant center of commerce and can help to redefine the area's economic future," Executive Director Lisa Winslow told *The Daily Advance* of Elizabeth City in 2003.

Legislative leaders directed the Department of Cultural Resources to send a total of \$9.2 million to approximately 100 different organizations. The Arts Council grant was one of the largest awards. Only three other groups received more.

### Owens' response

Owens told *Carolina Journal* that in the last few days of the General Fund budget process, the Arts Council asked him if there was any money available for its project. "I passed a request from the Arts Council on to Speaker Black. When we got the award, I was totally amazed at the amount. I thought it was a mistake."

Owens said that even though he has approximately \$5 million worth of real estate downtown, he has considerable loans on the properties, and added that he is one of the largest taxpayers downtown. He acknowledged the improvements would enhance the value of his real estate holdings. He said he gave \$15,000 towards the streetscape project, but the city gave the money back.

He said he was worried about the appearance of a conflict of interest, so prior to requesting the grants he decided to discuss the situation with his hometown paper. He said *The Daily Advance* editor Michael Goodman urged him to pursue the grants.

Goodman confirmed that Owens approached him about the issue. "Streetscape was a way to help Elizabeth City. You can't restrict the development of downtown because Bill Owens owns property here," Goodman told CJ.

# Senator Helps College President, Citizen Block Historic Gold Mine

Continued From Page 1

stream. Digging into the adjacent stream bank, Barringer struck gold. Little did Barringer know, but he had struck it big — one of the largest veins of gold in North Carolina history.

Richard F. Knap of the N.C. Department of Cultural Resources and co-author of *Gold Mining in North Carolina* described the Barringer Gold Mine as a “watershed event in US gold mining, moving the industry into the age of vein mining.”

The fortune of the mine, however, turned to tragedy in 1904. Under the ownership of Whitney Mining Company, eight men were killed in the mine when a heavy deluge hit the county Aug. 11 and flooded the mine. After the tragedy (and the ensuing lawsuits), the mine closed.

On March 25, 1998 Stanly County developer and entrepreneur Joe Carter bought the mine and nearly 240 acres of land. While clearing the land for development, Carter, much like Barringer, discovered gold. The discovery, combined with the hope of finding more gold, led Carter to hire the services of numerous experts who were to assess the practicality of creating a viable mining operation and establishing a new tourist destination in Stanly County. The experts concluded that the mine offered many valuable possibilities for Carter. Not only could this small portion of the land be used for excavating gravel and sand for highway construction, but, because of geological processes, the mine contained a thin, and in some places extremely pure, vein of gold. In their estimation, only 10 percent of the total gold in the vein had been removed. With current mining techniques, the remaining gold could be mined with minimal environmental impact, they said.

Knap agrees and further believes the Barringer mine could become a historical site similar to the nearby Reed Gold Mine in Midland.

Halting further development on the land, Carter turned toward the possibility of mining the gold. While consulting with blasting experts, mining experts, trucking firms, and potential investors, Carter began to prepare for the lengthy and intricate process required to gain the permits from state and federal agencies to get Barringer Mines, LLC up and running.

Carter, along with additional investors, successfully earned both federal and state mining permits for his newly created company. However, when presenting to the Planning Board of Stanly County, Carter was denied the ability to mine. Residents feared the dust and noise pollution would harm their way of life. Carter was denied, not once, but twice by the Planning Board for permission to proceed, even after modifying his plans as advised by the planning

staff.

In a final attempt, Carter was able to get a split decision to rezone his property from Residential Agricultural (RA) to Heavy Industrial (M2) with a conditional use permit. That final split decision led to a public hearing before the county commission April 8, 2002. He and his consultants illustrated their intent to create multiple businesses and dozens of jobs while staying within the state and federal guidelines for mining. During the meeting, Carter and his supporters ran into opposition headed by Edquist and Ambrose.

“The decisions this evening,” said Steve Smith, Carter’s lawyer, “should be based on facts. We understand there are fears and there are rumors, but neither are a sufficient basis to render your decision tonight.”

Numerous residents testified that they were worried about dust, blasting, cancer, and the disruption of their lives because of the mining process. Others feared that Carter’s real goal was to start a rock quarry, that the gold and tourism plans were a ruse, and that the actual intent was to quarry aggregate for construction.

Stuart Brashear, a blast expert with Dyna-Nobel, told the committee that neither dust levels nor blast sounds or vibrations would exceed state or federal restrictions. In fact, he said, that due to the use of a “wet mining process,” dust levels should not be an issue. Further testimony revealed that “blast sound and vibrations would be similar to that of a train” going through the community once a year.

Additional information showed that the aggregate being removed for highway use was a byproduct of the mining process and would create additional revenue. The aggregate was the rationale behind calling the operation a “quarry” by the opposition. The word “quarry” also appears on the mining permits.

Environmental engineer Paul Harrison, of the Moser Group, studied the impact on land value of properties adjacent to a mine similar to the proposed Barringer operation. “In sum, the perception of a negative impact of a quarry operation appears to exceed the reality of the situation in terms of values,” he said.

Sen. Fletcher Hartsell, hired by Pfeiffer and a prominent legislative force behind the eventual creation of the Village of Misenheimer, maintained that rezoning the Carter property as M2 would “not guarantee that Carter [would] indeed use his land only to mine.” Because M2 includes other uses such as junkyards and chemical waste sites, Hartsell argued that the M2 zoning would not be “harmonious with Stanly County.”

County Commissioner Charles P. Brown attacked Carter’s creation of Barringer Mining, LLC.

“Barringer Mining, LLC is a limited

liability company... and the objective of that is to... protect the investors from liabilities... if the mine goes broke, Carter and his investors can walk away from it, leaving the community scarred forever,” he said.

Residents voiced their concerns. Mike Harrin said, “if this land is rezoned M2, our community will forever be in the shadow of heavy industry.”

Carter himself seemed to sum up the commissioner meeting best. “We can all speculate on the ‘what-ifs,’ but the best barometer is what’s out there right now,” he said.

Ambrose provided testimony as to the beginning of Carter’s endeavor, saying they had had meetings about the original residential development that were positive. It was only after discovering the potential of the mine that the college began to have “serious concerns” and helped organize citizen opposition.

The county commissioners voted against the rezoning request unanimously.

During the late summer of 2002, the town of Richfield worked with Carter on a possible annexation strategy. Carolyn Lisenby, Richfield’s town administrator, said Richfield held meetings about such a possibility. If granted, the move would have allowed for the operation of the mine. Richmond Town Alderman Terry Almond also confirmed that Carter had worked with them in a move that would have allowed Richfield to annex the Carter property and proceed with development of the mine. He confirmed that there were councilmen willing to work with Carter for economic development reasons.

Concurrently, both Ambrose and Edquist went on offense. Edquist, as a private citizen and Ambrose, as president of Pfeiffer, started using their collective abilities to lobby support from alumni, students, residents, and Hartsell to take a different approach. They petitioned the state to create a new town to forcibly annex Carter’s property and stop the mine.

The net effect of the creation would neutralize any future rights Carter and his business partners would have to develop the Barringer mine for anything other than residential or agricultural purposes.

When asked about Carter’s property rights, both Edquist and Ambrose replied that being a “good neighbor” was important with respect to what one wants to do with their land. Both also have publicly questioned Carter’s character, referring to tax issues with Stanly County. JS Carter Inc. owes Stanly County \$19,282.25. But the Stanly County Tax Office said that, although the firm is often late, it does not miss its payments.

The Village of Misenheimer was to be comprised of a handful of small, individual lots, some churches, and two large tracts of land. Carter’s 240 acres

became the largest tract of privately held land in the proposed village. Pfeiffer College is the other large tract of land and is exempt from property taxes. Proponents also saw a unique opportunity to rectify another lingering issue for Pfeiffer.

A decision rendered by the N.C. Court of Appeals in December 2002 (State v. Jordan), reaffirmed the position that Pfeiffer’s police force was impotent to enforce the state’s laws. If incorporation of the village were to succeed, Pfeiffer would benefit from a state-approved police force whose jurisdiction would include the university. With the creation of the village, Pfeiffer now subsidizes its police protection to the tune of \$350,000 annually.

In Feb. 17, 2003, Sen. Bill Purcell filed Senate Bill 76, which had the support of the Stanly County Commission. In the documents submitted to the General Assembly, there were to be 150 permanent residents, 600 Pfeiffer students, 183 registered voters with signatures from 154 of that voter pool.

One of the requirements by the state government is that a “petition signed by fifteen percent (15%) of the registered voters of the area proposed to be incorporated” be presented to the Joint Legislative Commission on Municipal Incorporations. According to age and addresses supplied by the N.C. Board of Elections, 39 of the 227 registered voters (17 percent) in the Misenheimer area for 2003 could be Pfeiffer students.

The legislation was hastily ratified June 26, 2003. Carter, based upon conversations with legislative staff, brought several witnesses to appear before a committee before final ratification. Upon bringing the witnesses to Raleigh, he was told that the schedule had been changed. He was never allowed to appear before any committee. Hartsell, who had represented Pfeiffer and Edquist, voted in favor of the village. In the haste to pass the bill, dates of municipal elections were set for 2004 and were later modified because they were in violation of municipal election laws that require municipal elections to be held in odd-number years.

Carter, via this legislative action, became the largest landholder in Misenheimer. As such, with the rules in place, Carter cannot develop his land unless the village council, appointed by the legislature, approves it.

Edquist was appointed to be the mayor of the village until municipal elections later this year. Ambrose was on the council until he moved from Misenheimer this year.

Geologists, working with Carter, estimate that the mineral contents beneath the mine site may be worth more than \$1 billion. But Carter, under the zoning put in place by Edquist and his fellow council members, can do little more than create a residential development.

CJ



# Privaris Secures Grants From N.C. Tobacco Trust Funds

Continued From Page 1

from the Tobacco Trust to MCEDC, which then immediately paid Privaris.

The company, formerly known as Transforming Technologies, Inc., was promoted by one of its chief investors and board members, Ernest Knighton of Edenton. Knighton lobbied Basnight's chief assistant, Rolf Blizzard, heavily in 2002 to get the DMV to implement a pilot security project, called the North Carolina Hazardous Materials Carrier Authentication Pilot (HAZCAP), using the company's technology.

Blizzard initiated help for the project at DMV, pressuring former Commissioner Carol Howard and Department of Transportation officials to evaluate the technology and to carry out the pilot.

Blizzard is now a lobbyist for North Carolina Citizens for Business and Industry. Transforming Technologies changed its name to Privaris in October 2002.

## Knighton lobbies Blizzard

Knighton sought Blizzard's help in early 2002. In March, Knighton tried to convince Blizzard that because DMV intended in the future to compare driver's license photos to a database to prevent fraud, they should use fingerprint comparisons also.

Part of the negotiations among the company, Blizzard, and DMV included concern about the company's viability, so Knighton tried to demonstrate that enthusiasm for Transforming Technologies existed from other businesses and public agencies.

On March 16 company President Bob McKisson notified Blizzard (also Watson and Knighton) that he was discussing a "major technology and marketing partnership" with giant defense contractor Raytheon.

Meanwhile, the initiation of the pilot project went through a series of fits and starts, with periodic nudges from Blizzard to keep it moving. On April 24 Knighton complained to Blizzard that Howard said a decision on the project was four months away. A week later a meeting was scheduled after Blizzard sent to Howard the company's \$2.9 million proposal for the project.

Transforming Technologies officials pressed for attention from the NCDMV.

"We need to keep pushing," Knighton wrote to Blizzard and others May 3. But DOT failed to allocate any funding to DMV for the project.

North Carolina's Northeast Partnership submitted a grant application to the Tobacco Trust, seeking \$1.5 million

of the total \$2.9 million budgeted for the project. Listing Watson as the project director, the Northeast Partnership claimed the project would create 50 new jobs, providing opportunities for former tobacco workers "to be employed at higher-skilled, higher-paying jobs."

The application said Transforming Technologies might relocate to the northeast region, "resulting in an investment of \$10 million and 200 production jobs."

Basnight was cited as a reference on the application.

"If successful," the application said, "the technology will be implemented on a statewide basis with funding from the N.C. General Assembly and other private and public sources."

As the Tobacco Trust considered the grant request, Knighton continued his campaign to create legitimacy surrounding Transforming Technologies, sending out articles to key decision makers to create a "buzz" about its fingerprint technology.

**"They didn't want to look like a fool if it wasn't something the federal government wanted to do."**

State employee

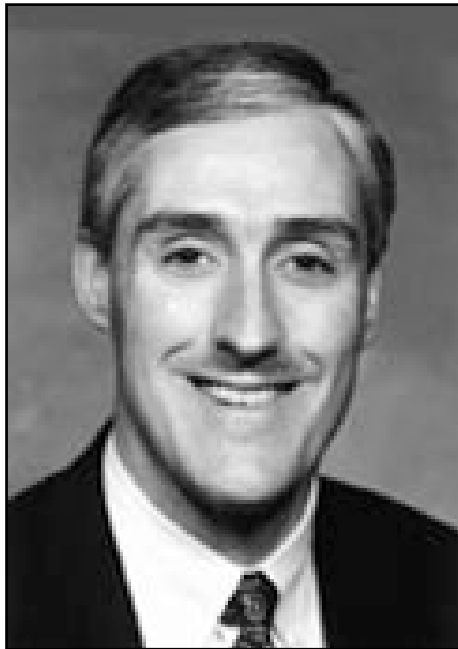
"We have political friends in Boston and the phone calls will start tomorrow morning," Knighton said after sending a *Boston Globe* article to William Upchurch, the Tobacco Trust Fund Commission's executive director.

"You can see we are right on track and that is why the pilot program is so important."

## Approving the project

By Oct. 8, 2002 the Tobacco Trust had awarded the Northeast Partnership \$350,000 for HAZCAP. But Northeast Partnership officials perceived that getting the project approved by the Information Resources Management Commission quickly was an obstacle. In order to speed the process, Knighton asked Blizzard to intervene so IRMC Executive Director Woody Yates would schedule a presentation.

Officials working in the state's information technology areas arranged for the HAZCAP project to be presented before a committee of the IRMC on Nov. 4.



Privaris President Barry Johnson

The DOT presentation implied that the project was not initiated by the agency, but by Basnight's office instead.

"Several months ago the [DOT] was approached by the office of a state senator and encouraged to review some new technology..." the DOT Chief Information Officer E.D. Walker said. "Over the last several months, my IT staff and the [DMV commissioner] and her staff have

met with the staff of this legislator and of Transforming Technologies to consider the potential of this new technology."

According to a state employee who worked on the project, DOT's information technology leadership was not enthusiastic about adopting the project. The employee said the agency's technology people wanted to wait for federal regulations regarding drivers' license security to be announced before pursuing fingerprint or any other technology.

"They didn't want to look like a fool if it wasn't something the federal government wanted to do," the state employee said. The employee added that Blizzard exerted pressure on DOT to devote resources to HAZCAP.

But Howard, believed the fingerprint technology held promise.

"I was certainly in favor of it and worked hard on it," Howard said.

She admitted there was pressure from Basnight's office, but said that if she didn't think the technology was worth investigating, she would have told Blizzard so.

"We knew that there was big interest in it from Basnight's office," Howard said, adding that for a while she had daily conversations with Blizzard about HAZCAP.

After she left DMV, Howard said she worked for Privaris/Transforming Technologies for a few months as a consultant.

## Martin County gets project

In mid-November 2002, Watson and the Northeast Partnership transferred the Tobacco Trust grant from their oversight to the Martin County Economic Development Corporation. In a letter to the Tobacco Trust, Watson cited Privaris's location at the MCEDC-run Northeast TeleCenter in Williamston as

the reason for turning over control of the grant's administration.

"The Northeast Partnership would have been a middleman in the process and to save time, the Northeast Partnership has requested that the [Tobacco Trust] cut out the middleman and grant the money directly to the [MCEDC]..." read the minutes from a Tobacco Trust Commission meeting.

But Watson and the Northeast Partnership continued to be involved in the administration and development of the HAZCAP project despite what the paperwork said. According to correspondence, the Partnership helped MCEDC review the grant contract and made recommendations for changes.

According to the contract drawn up by the Northeast Partnership, the HAZCAP project would "create 10-15 jobs initially... and provide a capital investment of over \$10 million." The contract called for MCEDC to monitor results, to be measured by the numbers of jobs created and by capital investment.

## Intensive fund-raising

Another parallel contract to the Tobacco Trust Grant was signed between the MCEDC, NCDMV, and Privaris, Inc. – formerly Transforming Technologies. The "memorandum of agreement" among the three entities required Privaris to meet "the established time schedules and milestones as identified in the... Scope of Work."

With the agreements all in place, the Tobacco Trust issued a \$175,000 check to MCEDC on Jan. 21, which then promptly paid the same amount to Privaris.

A Feb. 24, 2003 Microsoft PowerPoint presentation obtained by CJ, in which Privaris sought a working arrangement with security giant ADT Security Services, showed the company was in an aggressive fund-raising mode. The presentation said the company had raised \$4.4 million in private funding through February 2003, and had raised \$2.3 million in the previous three months alone. The document also implied that it was using the grant money from the Tobacco Trust to leverage even more interest in Privaris, citing the HAZCAP project as its largest client to date.

## Piggybacking on Privaris money

Privaris appeared to move into the TeleCenter just in time for MCEDC to leverage their request for more funding from public resources.

In a letter to Upchurch of the Tobacco Trust, Crowe said "funding is crucial" for expansion of the TeleCenter

Continued as "Company," Page 5

# Company Leveraged More Money for Proposed Expansion

Continued From Page 4

because "there are several clients that are waiting for... improvements to be completed so they can move from the incubator office space into a larger area."

In a letter to Crowe four days later supporting the TeleCenter expansion, Watson wrote that "it is truly amazing the TeleCenter is now fully occupied and you have a great need for expansion space for companies currently operating there."

Between July 25 and July 30, three TeleCenter tenants — InterAct Public Safety Systems, DataLink Telecom, and Privaris — wrote similarly worded letters to Crowe stating their intentions to grow their businesses, conditional upon expansion of space.

Privaris President Barry Johnson wrote a letter of support for the renovations, saying that Privaris "has been in operations at the NC TeleCenter...since February, 2003," in contradiction to an earlier McDorman e-mail that said the project began in April and that employees moved into the facility in June.

"During our tenure at the TeleCenter we have enjoyed great success and are now faced with expansion opportunities," Johnson wrote. "We would very much like to remain in the Williamston area but to do so requires securing adequate space for our continued operations."

Documents showed no evidence that Privaris developed new business during the month in the TeleCenter, or that the HAZCAP project had even begun in earnest yet.

The letters of intent from three companies helped the TeleCenter garner another \$200,000 grant from the Tobacco Trust for expansion. MCEDC was also awarded \$250,000 from Golden LEAF, the state's administration agency for half its tobacco settlement funds, for the TeleCenter expansion.

Upchurch said he had visited the TeleCenter, although it was not clear when.

"The office building appeared to be very well-populated," he told *CJ*. "There was a considerable amount of space that needed further renovation."

Crowe, who requested \$350,000 in Tobacco Trust funds for the TeleCenter expansion, claimed in the grant application that the project "will result in the creation of approximately 250 jobs and \$3 million in new capital investment."

InterAct, Privaris, and DataLink have all moved out of the TeleCenter, and none of the Tobacco Trust money has been paid out for the expansion.

## Second payment sought

Privaris submitted a report on the completion of its work on the HAZCAP project on Nov. 24. The company also



The Northeast TeleCenter in Williamston, where Privaris was to have operated.

sought the remaining grant money from the Tobacco Trust, which MCEDC would have had to request.

On Sept. 30, 2003, Wayne Hurder of the NC D M V Driver License Section had approved

"payment of the balance of the agreed upon funds" for the HAZCAP project, to be shown on a "forthcoming invoice."

But confusion surrounds the invoice. Records show that MCEDC billed the Tobacco Trust on Dec. 11 for the grant's full remaining \$175,000, based on a July 30, 2003 invoice from Privaris to MCEDC for the same amount. Both invoices were faxed to the Tobacco Trust on Dec. 23.

The same day, after faxing the invoices from his store in Williamston, Crowe e-mailed Tobacco Trust administrative assistant Amy Bisette. She had told Crowe that supporting documentation, as well as a financial request form, would be required in order to issue the second \$175,000. Crowe indicated that Watson was pressing him about the money.

"I sent fax copies to you today after numerous telephone calls from Rick Watson following up on the (invoices)," Crowe wrote to Bisette. "I am copying Rick on this e-mail so that he can be kept informed."

Then Crowe appeared to want help from Bisette to justify the HAZCAP project expenses.

"In references to [your] request for invoices to support the expenditures,"



Crowe wrote, "what would be acceptable for the direct labor line item?"

On Jan. 21, 2004, Crowe and Watson met with Upchurch to discuss "a list of items (Tobacco Trust) needed to finalize" the HAZCAP grant.

A spreadsheet submitted by Privaris to MCEDC, and subsequently from Crowe to the Tobacco Trust, showed the company billed for \$9,608 in travel expenses for various employees and \$8,225 for rental of space at the TeleCenter.

Also, the company charged \$125 per hour for its program managers and \$120 per hour for its hardware and software engineers. Total labor costs for the project amounted to \$339,840, and Privaris claimed the total HAZCAP project cost \$357,673. No detailed receipts or invoices were provided to support the travel expenses.

"If the documents meet your needs," Crowe wrote to Upchurch and Bisette on Jan. 28, 2004, "I will submit them with the signed request form this afternoon. If the documents do not meet your needs, please clarify the documentation that will be acceptable."

Apparently the documentation was not acceptable. By December 2003 Privaris had departed the TeleCenter,

failing to fulfill the contractual agreement with the Tobacco Trust to create 10 to 15 new jobs, despite all its stated intentions and the grants for the TeleCenter's expansion. Still, the company and the MCEDC sought the full remaining \$175,000 from the Tobacco Trust grant until January 2004.

But by March 16, Privaris had revised its expenses from \$357,673 to \$308,134. Travel expenses were lowered to \$7,558 and labor costs were reduced to \$290,000 through a change in the number of hours worked, while maintaining the billable hour rate from the previous spreadsheet. However, two more months' worth of TeleCenter rent were added, bringing the total lease costs to \$10,575.

Crowe requested a reduced amount of \$132,575 from the Tobacco Trust on March 26. Upchurch authorized a check on April 5 to MCEDC, which immediately paid the same amount to Privaris.

"The second check covered expenses incurred between Jan. 7, 2003 and Dec. 31, 2003," Upchurch told *CJ*. "During that time, the work was performed and three jobs were supported in North Carolina."

## Final report insufficient

Sometime late last year Privaris moved its headquarters from Charlottesville, Va., to Fairfax, Va. Even though the company is now even farther away from North Carolina, the Tobacco Trust still does not consider the HAZCAP project closed.

Neither does Karen Long, the lawyer in the state Department of Justice who reviews legal documents for the Tobacco Trust. On Feb. 2, 2005 she told Bisette and Upchurch that the MCEDC's final report on HAZCAP was "pretty thin."

She said a candid and detailed discussion of technical problems, and of which goals were met and unmet, were needed in the report.

"The numbers listed 10 to 15 jobs initially," Long wrote. "That didn't happen and I think a more thorough explanation of why needs to be included."

No one from the public agencies involved in the project, except for Upchurch, would answer questions from *CJ* about the HAZCAP project or about Privaris.

Those agencies include the state Department of Transportation, the Northeast Partnership, MCEDC, and Basnight's office. Blizzard and Privaris officials did not return messages left by *CJ* either.

Upchurch says the MCEDC still has not filed an adequate final report on Privaris, and as of this writing he was still waiting for one.

"We have every expectation that we will be able to negotiate a satisfactory Final Report," he said. *CJ*

## NC Delegation Watch

## Immigration grades issued

Rep. Sue Myrick, of the 9th District, said she was named to U.S. Border Control's "Honor Roll" for her perfect voting record on border and immigration issues. USBC's mission is to end illegal immigration by securing the nation's borders and reforming border and immigration policies.

"Representative Myrick has distinguished herself by scoring 100 percent on all the House bills and amendments that U.S. Border Control had selected in its voting analysis of legislation critical to reforming America's border and immigration policies," USBC Chairman Edward I. Nelson said.

Myrick was one of 51 members of the 108th Congress placed on USBC's "Honor Roll." Third District Rep. Walter Jones, the 6th District's Howard Coble, and the 8th District's Robin Hayes — all Republicans — also scored perfectly on the non-profit's test.

Rep. Mike McIntyre, who represents the 7th District, had the highest score among the state's Democrat congressmen, with 60 percent. Democrats David Price, 4th District; Mel Watt, 12th District; and Brad Miller, 13th District, each scored zero percent.

## That other man David

When he announced his opposition to the House Republican budget in March, Rep. David Price used a little Biblical support to explain his position.

"Mr. Speaker, colleagues will remember the biblical story of the prophet Nathan coming to the mighty King David.

"Nathan told David a story about a rich man who had many sheep but who took the one little ewe lamb of a poor man to feed a visiting friend. David flew into a rage at the rich man and proclaimed that anyone who would do such a thing deserved to be put to death for abusing his power and showing so little compassion.

"And Nathan said to David, 'YOU are that man.'

"This story should lead us to look into the mirror: are we in danger of becoming 'that man?'

"The Republican budget removes support for housing, education, Medicaid, community development, and small-business lending. It raises taxes on the poor. And it does all this so the Republicans can afford new tax cuts for the wealthiest among us. If there was ever a moral issue before this Congress, it is that one." CJ

## The Forgotten Part of Our History

From the Declaration of Independence to the Constitution: 1776 to 1787

By GEORGE M. STEPHENS

Contributing Editor

RALEIGH

**T**he forgotten part of our history: from the Declaration of Independence to the Constitution, 1776 to 1787.

The Declaration of Independence established the United States of America with a government to secure "life, liberty, and the pursuit of happiness" for its citizens. Its system wasn't working, however. The states tended to act as though they were independent of each other as well as Great Britain, and citizens referred to their state as "my country." This complicated the war against their common British enemy. General Washington had a very difficult time maintaining an army. Congress sent requisitions for funds to the states, which often did not pay, and those who paid were angry with the ones who did not.

They governed under the Articles of Confederation, adopted by the Continental Congress, which stipulated: "The said states hereby severally enter into a firm league of friendship with each other," but the Confederation could not collect taxes, pay the public debt or encourage and regulate commerce. (A little-remembered provision was that Canada was entitled to join the confederacy).

Alexander Hamilton, Washington's aide-de-camp, pressed the General for strong measures and said that the only remedy was a convention of the states. He publicized the need over the next seven years, and in 1782 he persuaded the New York legislature to pass a resolution urging that one be convened. With the end of the war the states were even less cooperative, but a dispute between Maryland and Virginia over navigation of the Potomac River led to a meeting in Annapolis in 1786, opening a door to resolution.

The Annapolis Convention recommended to Congress that all thirteen states appoint delegates to convene in Philadelphia the next May, "to take into consideration the trade and commerce of the United States." The states were imposing duties on each other as though they were indeed separate countries, and their currencies were different.

In 1787, as in 1776, they convened in the Pennsylvania State House. Seventy-four delegates were named to the Convention, of whom 55 attended. Not included were John Adams, who was in London as the American envoy, or Thomas Jefferson, who was its representative in Paris. Adams' recent book on constitutions was being circulated among members, while Jefferson sent to his friend Madison hundreds of books on the subject.

There was no thought of writing a new constitution, because there was little

support for a strong national government, so Congress resolved that the Convention was to meet "for the sole and express purpose of revising the Articles of Confederation.

James Wilson said that he thought the Convention was authorized to "conclude nothing, but to propose anything," and that became the attitude of the members, who worked in secrecy, which allowed uninhibited discussion of controversial and complex issues. Decisions were made nonbinding, so delegates could change their minds, accommodate to new understandings and work toward a complete concept of government.

That was the "forgotten" part of our history. What followed, the writing of the Constitution, is remembered, but we forget how limited a government the Framers created. The 1787 Convention was mainly concerned with creating just enough government to preserve property, per John Locke's doctrines.

They took the separation of powers: legislative, executive and judicial, from Montesquieu. John Locke had said only that they are often separated. They understood that it was imperative to create a sound legislature. To do so they were drawing on experience in their own states and in England, all of which reflected the Lockean model of the Natural Law as the basis for men's freedom. The question of unicameral or bicameral legislatures Locke left to others.

The large states favored the Virginia Plan of representation. Edmund Randolph, leader of Virginia's delegation, got to the heart of that plan when he proposed a national government consisting of a supreme legislative, executive and judicial branches. It was to have a House of Representatives elected by the people, and it would elect a Senate. There was stunned silence. Did the convention propose to overthrow state governments?

Madison observed that a federal government operates on states, while a national one operates on individuals. James Wilson pointed out that if the operation was on states, then a state of 10,000 people would have the same power as one of 40,000. How could the states, which were creating the national government and the people of the nation at large both be represented fairly?

New Jersey presented a plan for equal representation of states in a unicameral legislature, and the convention deadlocked over it versus the Virginia Plan. Connecticut then advanced Oliver Ellsworth's "Great Compromise, under which states would have an equal voice in the Senate, while proportionality was retained in the House of Representatives. The compromise was adopted and the crisis averted.

Many Americans think that the Con-

vention established a "democracy," but the government being set up did not provide for direct decisions by the people a la town hall, but rather for election of representatives. They also established the Electoral College, awarding electoral votes to states, rather than choosing presidents by direct national election.

They were unable to deal with slavery, because they could not outlaw it and keep all of the states in the union. A terrible civil war two generations later resolved it, with President Lincoln enlisting Jefferson's Declaration in support of his position.

They provided for a national government of specifically enumerated powers. Congress could regulate commerce to keep states from setting up trade barriers between each other. It could tax and spend for the administration of the three branches of government and for about thirty specific functions enumerated in Article I, Section 8, such as navigation acts, collection of taxes and imposts, post offices, post roads and judicial tribunals. They carved out very limited functions for the national government and reserved all the rest of the rights and responsibilities for the people and the states. They specified that changes could be made only by constitutional amendment.

The final draft began "We the people of the United States..." which upset Patrick Henry and others who thought the union should be of states. There was no Bill of Rights in the final draft, because the Framers believed that liberty was firmly in place.

Alexander Hamilton asked: "Why declare that things shall not be done which there is no power (in Congress) to do?" So, on Sept. 17, 1787 they adopted the new Constitution without a bill of rights and sent it to Congress, which recommended ratification, and most of the states ratified without a bill of rights. When New Hampshire became the ninth state to ratify, the new government came into existence.

Many people were still fearful of the powers of the new government and were against ratification, so when Edmund Randolph of Virginia came out in favor of a bill of rights one was drawn up by Congress and ratified by the states. North Carolina had refused to ratify until there was a bill of rights, and when there was one it joined the union in 1789, ratifying at its convention in Fayetteville, the twelfth state to do so.

The legislative session held there at the same time chartered the University of North Carolina. It was an auspicious year for Tar Heels. CJ

Reprinted by permission of Wake County Physician.

# Dick Morris: Inside Politics With an Objective Viewpoint

By CAROLINA JOURNAL STAFF

CHARLOTTE

**O**n March 29, political consultant and analyst Dick Morris, well known for his political relationship with former President Bill Clinton, was the guest speaker at a John Locke Foundation Headliner luncheon in Charlotte. Carolina Journal Associate Editor Donna Martinez talked with Morris after the event. Following are edited excerpts from their conversation.

*Martinez: You worked for Bill and Hillary Clinton. You are associated with being the guy who brought polling to the common person's consciousness. Everything was poll-driven during the Clinton administration. Was that your idea, or was it Bill Clinton's need?*

**Morris:** It was an idea that he and I had jointly when we started to work together in 1977. And the essence of our relationship was that there was nothing mystical about politics. You could poll, you could find out what people wanted, and you could figure out how to bring it to them. Some people confused that, and say that what it is, is to have no principles — just follow the polls. What he did was to use the polls to enable him to lead.

*Martinez: Is it true you polled vacation spots?*

**Morris:** I did. That was selected because I thought the Clintons went to Martha's Vineyard all the time, on vacation, hobnobbing with celebrities. And I thought it sent really the wrong message, and you have an opportunity as president, to do something completely symbolic, well, why not? So I polled, and I told him, "You have to go to the Rocky Mountains on vacation," and he hated every minute of it. He had to go camping.

He got back and he snapped at me, he said, "This is the first vacation my numbers didn't improve!"

*Martinez: You've described Bill Clinton as a very real person, and Hillary Clinton as a very artificial person. Yet they're married. Is it a case of opposites attract? How different are these people and why are they together?*

**Morris:** Well, I think their marriage went through stages. The first stage was in the late '70s and '80s, when they grew increasingly apart. Bill's promiscuity got to Hillary; she hated it. Bill chafed at the discipline Hillary was imposing. And in 1980, they stayed together because of political ambition and a joint political career, and then Clinton de-

cided not to run for president in 1988. They really approached divorce. Then in 1989, Bill realized he needed to run for president in '92, and he realized he needed Hillary right there. It was his "get out of jail free" card, because he couldn't survive what he'd done without his wife standing by him. Then I think Hillary let herself be treated that way in return for the control and power she had as First Lady, and I think that when Bill neared impeachment, Hillary stayed with him because she needed him to stay in office, to be able to help her get elected to the Senate.

*Martinez: Now by all accounts, from all sides, she is a diligent, hard-working senator. She seems to get involved with issues and to care about things deeply. She is going to Iraq, she's talking about God. She certainly appears to be moving to the center, and that says to me she's running in 2008. Is that what it says to you?*

**Morris:** Yes. And the playbook is, starting in 2005, manifest her experience and competence in foreign affairs, so that people can trust you with being commander

in chief as a woman, and move to the center to distinguish yourself from Kerry and Howard Dean, and be vocal in doing all of that. And I think it's completely political, and I also think it's basically, in both cases,phony.

*Martinez: Now you have said you have no doubt she could win the Democratic nomination, but do you think she could win the White House?*

**Morris:** Yes, I do. I think she has a very good chance of winning the White House. I think John Kerry got 90 percent of the black vote, but with a relatively low turnout. I think you get about a million more black voters if Hillary runs, so that's a million more Democratic votes. Then I think that Gore carried Hispanics by 30 points, but Kerry only carried them by 10. I think Hillary restores the Al Gore margin with the Hispanics. That's another two million. Kerry carried single women with 64 percent of the vote; I think Hillary carries them with 80 percent of the vote. That's another million and a half. And Bush carried married women. I think the Republican carries them by only two or three against Hillary. That's another two million votes. It's seven or eight million additional votes, and Bush only won by three.

On the other hand, I don't think there's anybody who voted for Kerry that would not vote for Hillary. I think that he got a big Democratic vote and he's going to keep it. And I don't know if there are four million Bush support-

ers that didn't vote for him before. I think he got every Republican vote he could squeeze out of the country, so I think the only way to defeat Hillary is to undermine her demographics.

And that's where I think Condoleezza Rice is the only one that can defeat her. I think Condoleezza would get half of those eight million new voters, and the three million Bush margin would suffice.

*Martinez: You think the United States is ready for a female-versus-female ticket?*

**Morris:** Yep. When the Confederacy came out with the Merrimac — the cast iron — and it sunk all of the Union ships, the Union had to come out with the Monitor and send its own ironclad against the Merrimac. It was the only solution. I think it's going to become clearer and clearer as 2008 approaches that the only person who can stop Hillary is Condoleezza.

*Martinez: Let's talk about what you do for a living. I've heard you say, in terms of political consultants, that many of them, or in fact most of them, really don't care about the outcome.*

**Morris:** Right.

*Martinez: That surprises me. Why would they not care about the outcome?*

**Morris:** Oh, no, I think they would care about winning and the outcome. I don't think they give much thought to the issues or the ideology or any of that. And to be honest, I didn't when I was in politics either — in American politics. I'm the only guy who in 1990, worked for Bill Clinton, Bill Weld, and Jesse Helms in the same year. And the only thing

they had in common is they won. But I've begun to grow, I think, and I think very much that I've worked for the right people. I don't work in American politics anymore; I work in foreign politics. I just worked on Viktor Yushchenko, the guy who was just elected president of the Ukraine — the guy who was poisoned. And I worked for Vicente Fox, who really reformed Mexican politics and got rid of the PRI in Mexico. And I write books and I do a lot of talking.

*Martinez: You do, and in fact, you said about your work as a commentator, that you think you're very unique in the commentary business. Why is that?*

**Morris:** Well, I was having a conversation the other day with Frank Gifford, the football star. He used to be the host of "Monday Night Football", and he congratulated me on my commentary, and I said, "You're very kind, but you did 'Monday Night Football.' Could you imagine having an announcer who never played football, never coached football?" He said, "No, I couldn't imagine that." And then I said, "But there are only about 10 people on TV that have ever been in politics. The rest of them are just journalists who think they've been in politics."

But if you look at the commentary of George Stephanopoulos or James Carville or Tim Russert, or any of the people who have been in politics, who have actually played the game, it's a notch above those who haven't. And then the problem is, when you get someone who has been in politics, they usually are very partisan, which means they sort of tell the truth only half the time. And I'm independent; I hate both parties equally. I just tell the truth the whole time!

CJ



Dick Morris

CAROLINA  
JOURNAL

ONLINE

**CarolinaJournal.com is Your Daily Launching Pad to the Best North Carolina News, Analysis, & Opinion**

- Reports and columns on the legislature, politics, culture, and local government from Carolina Journal editors and reporters.
- Carolina Journal President John Hood's exclusive "Daily Journal."
- Timely links to important stories and editorials from the state's major newspapers, magazines, and other media organizations.
- Instant access to state & national columnists, wire reports, and the John Locke Foundation's other public policy web sites.

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



## State School Briefs

## Board OKs physical activity

N.C. elementary and middle schools must offer students at least 30 minutes of physical activity a day starting in 2006-07, the state Board of Education voted April 7.

The activity, which can be done in chunks as brief as 10 minutes and incorporated with classroom lessons, is designed to signal that physical health is vital to education, the *Charlotte Observer* reported.

The board also approved a policy that makes it easier to hire out-of-state teachers. The board likely will seek approval of an emergency rule that would allow schools to hire teachers now under the new policy for the 2005-06 school year.

The half-hour of physical activity, which classroom teachers can supervise, is not to be confused with physical education, the more structured exercise directed by teachers certified in the field.

A report card issued in January by N.C. Prevention Partners showed 34 percent of high school students in the state use tobacco products, 17 percent of youths are overweight, and only 22 percent of high school students say they participate in regular, moderate physical activity.

## Gifted program to return

After deciding that highly gifted students should be taught alongside their less-gifted classmates, the Chapel Hill-Carrboro school system is returning to separate classes for its brightest middle school students, *The News & Observer* of Raleigh reports.

Learning Environment for Accelerated Programming will debut this August at Smith Middle School. Though the program's name and location are different, it strongly resembles a middle-school program the district ended five years ago.

At a meeting April 12 that drew more than 100 parents, Supt. Neil Pedersen acknowledged that the program, in some ways, clashes with the district's belief in "not separating or labeling children."

The decision to start LEAP for sixth- and seventh-graders next year was moved up from an expected start date of 2006.

Extremely gifted students will spend most of their day with each other instead of with average and slow learners. They will take special language arts, science and social studies classes but take elective courses with the rest of the students. For math, students will take the most rigorous class they can handle, even if that means walking to nearby Chapel Hill High School. *cj*

# Parents Get Partial Restriction on Book

## Maniac Magee's language said too offensive for young schoolchildren

By DONNA MARTINEZ

Associate Editor

CHARLOTTE

**K**athy and Peter Braun have won what they believe is a partial victory for parents with young children in Charlotte's public schools. Still, they shake their heads in astonishment at the hoops they were forced to jump through to convince officials of Charlotte-Mecklenburg Schools that the book *Maniac Magee* isn't appropriate for third-graders.

For months, system administrators rejected the couple's pleas for a meeting with the committees reviewing their official challenge to the use of the book, based on concerns about its language and themes. In the spring of 2004, a third-grade class at Myers Park Traditional School, where the Brauns' daughter, Jessica, is a student, read the book. The parents feared that Jessica's teacher might also assign the book.

At issue for the Brauns and their partners in the appeal, Rick and Julie Guebert, is the age appropriateness of content in Jerry Spinelli's book, which is the 1991 winner of the Newberry Medal from the American Library Association.

The novel tells the story of a homeless boy's search for a family and love, and how he unites a racially divided town by showing each group its prejudices and preconceived notions are unfounded. Spinelli's book occasionally uses strong and racially tinged language ("piss-hole," "turds," "damn stupid white potato" and "honky donkey" for example) and delves into child-parent relationships, gangs, death, and loneliness.

"It's a fabulous book, a great book," said Kathy Braun of *Maniac Magee*'s overall value. "It's just that when you have Jeffrey homeless, Grayson dying, and all this racial intensity, and all this language, it's just too much in combination" for younger kids, she said.

Julie Guebert agrees. Her daughter, Allison, was part of the class that read the book last year.

Instead of including the parents in meetings, CMS sent the Brauns and Gueberts on a bureaucratic odyssey governed by policies and regulations that, the Brauns contend, don't give parents equal standing with school officials.

Dr. Frances Haithcock, associate superintendent for Education Services at CMS, said she's sorry the parents believe that school officials weren't receptive to their pleas, but that those involved told her the parents had been consulted, although not in person.

After about five months of back-and-forth letters, CMS notified the parents they would have 10 minutes on March 24 to make their case before a

three-member panel of the school board. After hearing from both sides, and reviewing the one-inch thick file, the board panel, chaired by Dr. Lee Kindberg, agreed with the parents on a key point: The book is inappropriate for K-3 students. However, the panel ruled that fourth- and fifth-grade teachers may assign the book, but that they must send letters to parents beforehand, alerting them to its themes and language. The ruling will allow parents to opt out. But if parents don't respond, the system will equate silence with permission.

Kindberg, who also is a John Locke Foundation board member, views the decision as a win for the Brauns and Gueberts. She thinks the book's themes could be disturbing to younger children, especially gifted kids, whom she thinks are sometimes more sensitive. "They raised the issue, and they were right," she said of the appeal.

However, Kindberg defends the panel's decision to allow the book's use in fourth-grade classes, even though about 75 percent of the reviews her panel considered recommended *Maniac Magee* for fifth grade or higher. The remaining 25 percent endorsed its use as early as third grade. The Brauns think the reviews support their argument, and Kindberg acknowledged it's not clear-cut. "Professional educators don't even fully agree," she said.

The book will remain in CMS libraries, where any student of any age can read it. That's an appropriate decision, said Cynthia Richey, immediate past president of the Association for Library Service to Children, the ALA division that awards the Newberry Medal. "Kids should have access to wonderful books," she said. "Having it in the li-


brary doesn't mean every one will read it."

Richey said schools typically defend book challenges based on their commitment to building a collection that represents all points of view and that supports their curriculum. She's not aware of *Maniac Magee* ever being removed from a library, but ALA's Office for Intellectual Freedom has recorded seven challenges to the book between 1992 and 2001, mostly for offensive language. One was in North Carolina in 1997. Details about who made the challenge and how it was resolved are confidential, ALA Media Relations Manager Larra Clark said.

Regardless of the decision, the Brauns and Julie Guebert say CMS's rules and method of dealing with parents should be scrutinized. Peter Braun believes he and his wife were patronized and treated as secondary to their child's education.

"Their approach is 'go away' — parents are never involved," he said of CMS. "That only exists in a place where there are no market forces."

Kindberg thinks it's "ridiculous" that parents weren't granted a meeting with school officials sooner and wonders why the principal and others didn't sit down with the Brauns and Gueberts to talk about it. "Sometimes you have to stop typing and start talking," she said. To that end, she has recommended that teachers discuss reading lists with parents at the open house held at the start of each school year. A study commission is being formed within CMS to review issues brought to light in the *Maniac Magee* appeal, Haithcock said. Whether or not a parent will be included has not yet been discussed, she said. *cj*



**Today's Study Questions:**

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

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



# Legislation Introduced To Curb Rising Dropouts

By KAREN WELSH  
Contributing Editor

RALEIGH

It became a game of one-upmanship between lawmakers in Raleigh in March, as three bills — two from the Senate and one from the House — were filed in the General Assembly in an effort to raise the statewide compulsory school attendance age.

## Dropout rates rising in N.C.

This is the latest attempt to curb escalating dropout rates throughout the state, which rose to 3.29 percent, or 21,000 students, during the 2003-04 school year, up from 3.23 percent, or 20,000 students, the previous year.

A recent article by *The Virginian-Pilot* writer Darren Freeman reported that the increase was a result of many 16- and 17-year-olds leaving school before graduating. One source said educators are greatly concerned.

"A slight increase means 1,000 more students drop out," Marvin Pittman, director of middle-level education at the Department of Public Instruction, was reported as saying. "If that continues every year, you can see what the problem is."

Sen. John Garwood, R-Alexander, was the first to address the issue when he filed Senate Bill 439, designed to prohibit students from dropping out of school before the age of 17.

Reps. Susan Fisher, D-Buncombe; Becky Carney, D-Mecklenburg; Walter Church, D-Burke; Nelson Dollar, R-Wake; Jean Farmer-Butterfield, D-Wilson; Verla Insko, D-Orange; Deborah Ross, D-Wake; Trudi Walend, R-Henderson, and Jennifer Weiss, D-Wake, submitted House Bill 779 a week later, followed quickly by its Senate companion, Bill 702, sponsored by Sen. Martin Nesbitt, D-Buncombe, and Sen. John Snow, D-Cherokee.

## Age and penalty rise

The latter two bills trumped Garwood's bill by raising the mandatory school age to 18, and increasing the penalty for truancy from a Class Three, with a maximum of 30 days in prison, to a Class One misdemeanor, with a possible jail sentence of six months or more.

Cecil Banks, manager of government relations for the North Carolina Association of Educators, said the NCAE is backing Senate Bill 439.

"We believe young people need to be in school longer to be better educated and prepared for life outside of school,"

Banks said.

Hal Young, president of North Carolinians for Home Education, said his organization doesn't have an official stance on the issue. Young said, however, he personally opposes all three of the proposed bills.

"My concern about them is mainly on the general principle of things," he said. "There are always going to be people that come to a place where they feel the classroom environment isn't working for them. They are already ready to go out into the workplace. Requiring them to go to school for another year won't make up for those who are already lost to the educational process."

Young said the requirement to keep 16- and 17-year-olds in desks they've already abandoned in spirit will play havoc with the school system's federal scorecard unless educators are willing to make up for any educational shortcomings, or move them off their

rolls into another educational venue.

## Schools need to change

Banks agrees. He said a raised school attendance age will be effective only if the school system restructures on the high school level.

"We have to find a better way to meet the student's needs," Banks said. "We need to solve some problems in the schools. We need to be up to the challenge of revamping and adapting to meet the needs of individual children, to make an environment where they can learn and grow. We can't do things the same old way."

Some local schools aren't waiting for new laws or regulations to reorganize and make the necessary changes to keep children in school. Dare County school officials have not only revamped many programs, but they have also taken a long-term approach of helping at-risk students by offering freshman outreach programs, overhauling attendance policies that require students to make up every hour of school they miss, and creating an online credit recovery program, *The Virginian-Pilot* reported.

As a result, the district lost only 1.74 percent of its students last year, a figure well below the state average. Such an achievement makes a strong case that more laws aren't the solution. Lawmakers instead need to look at the creative initiatives and grass-roots programs invented out of necessity in the backyards of many local school districts throughout the state. CJ

## Commentary

# U.S. History Is Becoming History

Napoleon Bonaparte once said, "History is the version of past events that people have decided to agree upon." True enough. Depicting history is, and always has been, a collective enterprise. But our modern, relativistic culture has made separating fact from fancy increasingly difficult, as political correctness often trumps truth. As a result, we are rewriting history.

Nowhere is this more evident than in American classrooms, where our children's history lessons change with the political winds. Anti-bias guidelines and fears of offending special-interest groups permeate history textbooks, smudging out historical accuracy.

Our Founding Fathers are now referred to as androgynous "framers." According to a 2004 *Washington Times* report, words such as "man," "mankind," "aged," and "suffragette" are now banned from textbooks. In 2003, reviewers found 533 factual or interpretive errors in social studies texts submitted for adoption to the Texas State Board of Education. While publishers agreed to 351 revisions, they stated the remaining errors were simply a "misunderstanding" of the textbook.

However, nothing changed to ensure students would not fall victim to the misunderstandings. The result is that millions of American schoolchildren are misinformed about important historical events and documents. In 2002-03, only 55 percent of North Carolina high school students were considered proficient in U.S. history. This is no surprise, given the widespread deficiencies in our history curriculum: The Fordham Foundation, a Washington, D.C.-based education organization, gave North Carolina's Social Studies Curriculum an "F" in a 2002-03 evaluation of state history standards.

Our teachers are unschooled in the fundamentals of American history. Chester Finn, president of the Fordham Foundation, said that only 31 percent of middle school history teachers and 41 percent of high school history teachers actually majored in history as undergraduates. Just like the character in Sam Cooke's song, "Wonderful World," our teachers "don't know much about history."

So, why does it matter whether students (and teachers) understand American history? For starters, the success of a representative govern-

ment is predicated upon having informed citizens.

Past generations have understood this: One reason for beginning mandatory "common" schools in the early 1800s was to teach children the specifics of American democracy. Children learned answers to the questions, "Why does the government have three branches? What

is the Electoral College? Why are federal judges appointed?" Without a foundation in political, economic and social history, our newest citizens enter adulthood ill-equipped to vote, serve on a jury, lobby Congress, or model civic values.

What can be done? First, we need to take a hard look at our history

courses, and push back against the rising tide of political correctness. Alexis de Tocqueville's view of history was one of a "gallery of pictures in which there are few originals and many copies." We need to ensure that our historical copies, or textbooks, closely resemble the originals. Students ought to study the original documents providing the infrastructure for our government, legal, and judicial systems — documents such as the Constitution of the United States, the Bill of Rights, and the Declaration of Independence.

Second, parents (and citizens) need to be willing to supplement school programs at home. For those fed up with "revisionist" history, the Bill of Rights Institute ([www.billofrightsinstitute.org](http://www.billofrightsinstitute.org)) offers a reasoned, accurate alternative. This Virginia-based nonprofit organization, founded in 1999, offers programs that teach students about America's Founding principles and their importance to a free society. Their program, *The Bill of Rights for Real Life*, a 10-unit teacher's guide and DVD set, provides valuable lessons about citizenship, the roots of our fundamental freedoms, and the role of civic values, the law, and the courts in daily life. In sum, we do a disservice to our children when we tamper with historical fact. America has a rich and colorful past, marked by victory and struggle on the road to freedom. If our children are to grow into citizens devoted to the protection of America's fundamental liberties and ideals, they must first understand what they are. CJ



Lindalyn  
Kakadelis

## School Reform Notes

*High Point moves students*

The number of students forcibly moved by the High Point high school reassignment plan will triple this fall, the *News & Record* of Greensboro reports.

About 149 rising freshmen won't be able to attend Southwest High School this fall as they had requested, Superintendent Terry Grier said. He said every student who wanted to attend Andrews and High Point Central will be able to go there. The total number of students who applied was not available.

Parents received letters explaining their children's school assignment. One of the parents, Mike Goldman, said his daughter worries that she won't be able to attend Southwest, her neighborhood school.

If his daughter doesn't get assigned to Southwest, Goldman said, he would consider enrolling her in private schools or even moving.

*'Obsolete' high schools*

American high schools have become obsolete and districts need to find new models to keep the United States from becoming a second-tier economic power, a federal educator and other experts warned April 6, *The Charlotte Observer* reports.

"We're putting higher expectations on you than ever before," U.S. Assistant Education Secretary Susan Sclafani told a conference of about 120 Charlotte-Mecklenburg principals, district officials, and community leaders. "But the future of America depends on it."

Students need fewer memorization drills, she said, and more help solving problems. As manufacturing jobs disappear and global competition increases, the push to change high schools has become a growing chorus.

Earlier this month, Microsoft co-founder Bill Gates warned of an "economic disaster," alerting the National Governors Association that high schools had failed to prepare millions of teen-agers for college or jobs.

Gates' foundation has funded the Raleigh-based New Schools Project. It urges N.C. districts to create "early college" high schools and to break large high schools into independent "academies" with fewer than 400 students.

Sclafani and others called for similar efforts. She said high schools should be more like community colleges, motivating students by offering more flexibility and respect. *CJ*

## State Abandons Plan to Move DNPE

*Homeschooling parents oppose proposal that would have signaled encroachment*

By HAL YOUNG

Guest Contributor

RALEIGH

What if the state had a program, in place for 26 years, that was at least partly responsible for more than \$980 million savings to the state, every year? What if the program's savings grew annually, fueled purely by voluntary choices? And best of all, what if that program pro-

*Analysis*

tected individual freedoms and the independence of private institutions, but exerted only minimal pressure or required little interference from the state, with a low administrative cost to boot? Would you want to change that?

Such a program exists, in North Carolina's unique arrangement for overseeing private education. Since 1979, nonpublic schools in the state have lived in a world entirely separate from the public school authorities, funded by and accountable to their participants. Maintaining this independence, though, has required constant vigilance.

*The start of regulation*

North Carolina first regulated private education in 1961, with the appointment of a supervisor of nonpublic schools within the Department of Public Instruction to monitor a private-school voucher law already passed. Although the vouchers were never actually offered and were eliminated in 1969, the structure of regulations to monitor their use remained in place.

Even though no private school ever received a state voucher, North Carolina still required them to comply with teacher certifications, curriculum approval, class-size mandates, and other restrictions. The state considered this control the key to educational choice, promising to "protect the right of every parent to have his children attend a nonpublic school by regulating and supervising all non-public schools."

The growing Christian school movement brought about a remarkable change in the 1970s. Increasingly concerned that the law had state officials passing judgment on religious education, following years of unproductive hearings and studies, a number of Christian schools made a conscientious objection by refusing to file annual reports in 1977.

The resulting class-action lawsuit filed by DPI galvanized private school parents and proponents. Rallies in the capital, some reaching 5,000 participants, helped bring about a legislative solution in 1979—the current nonpublic

education law, which removed most restrictions in favor of standardized testing and minimal inspection requirements.

At the same time, though, the Division of Non-Public Education was moved from DPI to a separate existence under the Office of the Governor. This independence, unique in the United States, remained intact when DNPE was transferred to the Department of Administration in 1998, where it resides today.

When home education was formally recognized by a state Supreme Court decision (*Delconte v. North Carolina*, 1985), the nonpublic school law was amended to give statutory protection in 1988, placing this new development under DNPE as well.

While North Carolina's requirements for filing, testing, and maintaining other records make this a "moderately strict" state for home-schoolers—some states have no contact with home educators at all—the definitive separation between the private-education community and the public-school authorities has fostered an atmosphere of co-operation, not competition, with the state's representative. What began with fewer than 900 students in 1985 has grown to nearly 60,000 students statewide today.

*A solution in search of a problem*

In March, a budget proposal from the Governor's Office would have quietly moved DNPE and its tiny staff back to the DPI. Homeschooling parents, learning of the move from friendly legislators and their own information networks, responded immediately and unmistakably that this was not an acceptable idea, pouring thousands of e-mails into a surprised legislative committee.

Subsequent meetings between representatives of the nonpublic education community and both the Governor's Office and the Department of Administration reached an understanding—the proposal was a simple search for resources in a tight budgetary year, and not a reach for greater regulatory power. However, the event highlighted the need for watchfulness.

These unplanned border skirmishes have characterized the last two decades. Efforts to deal with the public school



*The Education Building in Raleigh, home of the DPI.*

issues have spilled over into the private arena. One bill that tied teen-ager's driver's licenses to their progress toward graduation would have submitted homeschoolers' academic records for public superintendents' appraisals; the wording was unintentional and was corrected before enactment. Another law banning possession of weapons "on school grounds" could have prevented a homeschool family from hunting on their own land; since the nonpublic education statute treats homeschools as tiny private schools, the wording of the bill required revision.

Ultimately, the separation between public and private education comes down to a difference in philosophy, not only in education but in management. Public education is a daunting world of mandates and goals, from Congress to town council to individual citizen.

It is a \$6 billion business in North Carolina, expected to provide health and social services, food and transportation, recreation, and in the midst of it, literacy and culture, to a population of the greatest possible diversity, including those with little interest in the state's testing standards, graduation statistics, and other facets of the No Child Left Behind law.

Nonpublic education, though, is a successful and self-accountable phenomenon. Parents who write tuition checks of \$5 to \$10,000 to the state's 652 traditional private schools, and those forgoing a second income to allow one parent to stay home and teach, have every motivation to review, frequently, whether their educational choices are working out for their children. Many studies document the success of alternative education.

It's a 26-year success story of a system that fosters the education of one child in 10 in the state, at practically no cost to the state. Between the protected liberty of the individual and the actual savings to the taxpayers, perhaps the state should not regulate nonpublic education, but promote more of it—or at least, leave it alone. *CJ*

*What Works Best***High School's Academy Helps Ninth-Graders Adjust to Changes**

By **PAIGE HOLLAND HAMP**  
Contributing Editor

RALEIGH

**T**ransitions are never easy. For students one of the most difficult challenges they face is the transition from middle school to high school. This is a critical juncture, and our young people are at their highest risk of dropping out of school at that time.

Performance in the ninth grade also often sets either the path of success or that of struggle for students with higher-education aspirations. Many factors create stress during this transition. Students often move from a smaller school environment to a much larger school, there are no longer teams of teachers who work together to ensure students succeed, and the social pressures associated with the high school years are tremendous.

As a parent of a rising ninth-grader, I share the same concerns many parents do as their child prepares for high school, especially the feeling that she will be lost in a school with 1,500 students. During an orientation session, I was pleasantly surprised to find that Wake Forest-Rolesville High School has developed a Ninth Grade Academy to address many of these issues. The vision of the Academy: "The Ninth Grade Academy, in cooperation with family and community, will create an interdisciplinary and supportive environment in which students develop skills and confidence necessary for scholarship, character, and citizenship."

The academy has set high goals focused on promotion, absenteeism, and school involvement. During a parent information session the Academy Director Andrew Markoch said, "Our phi-

losophy is that all children can succeed and it is our responsibility as educators to create strategies that work for every child." There is a clear correlation between that belief and the goals set. As stated on the WFRHS website, the three main goals for the academy are "95% promotion rate for ninth graders, 85% of students will be absent less than ten days per semester and 75% of students will be involved in athletics, music, or other clubs and extracurricular activities at school".

The strategies used to meet these goals are not new or "flavor of the month" programs. Instead, they are common-sense tactics coupled with a commitment by the staff to ensure student success starting with continuous communication between teachers and parents. While many schools I have visited or worked with preach "parent involvement", Wake Forest Rolesville High is actually recognizing that a child's most important education begins at home. They are making parents partners in their children's success. This communication begins before children enter high school, as all parents work with the counselors to create four-year graduation plans for their children. Regular communication via conferences, phone calls, and email keep parents in the loop and can head off any signs of trouble. The teachers and counselors are also very timely in their responses. As I was working with my daughter to create her five-year plan, we



*Wake Forest Rolesville boasts a Ninth Grade Academy*

had several email interactions with teachers who were glad to help answer our questions.

The Ninth Grade Academy also employs several techniques that help acclimate students to the high school environment. The Ninth Grade Center, which is only open to ninth-graders, allows students one location to go to get answers to their questions, discuss problems, or meet other ninth-graders. Understanding the benefits of a team of teachers working together to ensure student success, WFRMS has created a

ninth-grade team led by an administrator, counselor and center director. The team looks to personalize the education plan for each student and helps head off trouble by identifying problems early.

There are numerous opportunities for students to get extra help, starting with Soar After School program. Teachers with expertise in various subjects are there to assist students with questions and will also provide one-on-one tutoring. WFRHS also provides transportation home for students who participate in SOAR, which ensures all young people can take advantage of the services. Saturday school provides students another venue to avoid potential problems. Students can make up missed work or tests as well as make up an absence if they have missed more than the allowed 10 days per semester.

The bottom line is that Wake Forest Rolesville High School is making its students' success a top priority and the results are impressive.

Last year 92 percent of ninth-graders were promoted, 78 percent missed less than 10 days for the entire school year, and 67 percent were involved in a school activity.

*cj*

**NCHE ad  
goes here**

**Stossel ad  
goes here**



**Bats in the Belltower***On knife-wielders and speech*

The letters section of North Carolina State University's student newspaper *Technician* April 5 had some interesting finds.

First, the Genocide Awareness Project had a display on campus. This organization shows photos of aborted babies and compares it with other genocides. This is offensive to all viewers and they immediately demand an end to the slaughter. Well, really they demand only that the displays be taken down.

One letter writer was outraged. "Why do we allow such groups onto our campus to spread lies and hate? Aren't we a University dedicated to scientific inquiry?" he wrote. "Why was this organization preaching only hate allowed on our busiest public square to speak its lies? Activity like this, while protected by the First Amendment, is hate speech."

That darn ol' First Amendment getting in the way again!

Forget it, he wrote: "It is time we questioned such actions' efficacy on our campus, and whether we want to be associated with such groups in the future."

Also, apparently a student group got permission to spoof the origin of April Fools Day and put up a banner reading "Happy Atheists Day." This had one letter-writer "offended," but also "really offended that by 1 p.m., the sign was still up. NCSU is not, nor should it be, a religiously affiliated university. Students of all religious (and non-religious!) backgrounds should not only be allowed here, but welcomed here. For a blatantly offensive sign to stay up in the brickyard for so long reflects poorly on those in charge."

No, it would reflect well on those in charge — that they, unlike so many in public education, understand the First Amendment protects religious expression by *allowing it to occur*, not by declaring all religious expression offensive.

It would except for this letter:

"I'm sure any of you on the brickyard on Friday noticed the pale blue banner suspended between two trees commemorating April Fools' Day while dubbing it 'Atheists Day,' a student wrote. 'What occurred when I exited Harrelson Hall that afternoon [presumably after 1:00 p.m.] still both astounds and disgusts me. A young man ran up behind the suspended banner, jumped up and cut through it with a large knife. He then jumped up again to pull the torn banner into two pieces and cut the ropes from around the support trees.'" CJ

**Report Questions Women's Studies**

*Programs are "polemical, doctrinaire" and find very few students interested*

By BRIAN SOPP

Editorial Intern

CHAPEL HILL

A new study by the John W. Pope Center for Higher Education Policy argues that women's studies programs in the UNC system impose a heavy burden on university budgets without achieving academically worthwhile objectives nor capturing students' interest.

The report, "An Empty Room of One's Own: A Critical Look at the Women's Studies Programs of North Carolina's Publicly Funded Universities," was written by Melana Zyla Vickers, a former member of the *USA TODAY* editorial board and a former senior fellow with the Independent Women's Forum. Vickers' analysis of the women's studies programs at five UNC system schools — East Carolina, North Carolina State, UNC-Chapel Hill, UNC-Charlotte, and UNC-Greensboro — found that "at a time when more than half the undergraduate population at North Carolina's publicly funded universities is female, women's studies programs are flailing."

**Little interest — or scholarship**

Vickers' study asked three questions about North Carolina's women's studies programs: "Do students want them?" "Do the programs' faculty members teach meritorious, rigorous academic material, as measured by mainstream academic standards?" "Are the programs dependent on taxpayer money?"

Women's studies programs serve an exceedingly small population, Vickers wrote. "Not one of the five schools, whose undergraduate populations range from 11,000 to 23,000, has an undergraduate women's studies program that attracts more than 12 students who ever declare a first major, or graduate with a first major, in the field," Vickers wrote. "The women's studies programs are consistently among the smallest at the universities."

According to the report, East Carolina had 16,225 undergraduates in 2003. Only one student graduated with a women's studies degree. In the same year, UNC-Chapel Hill, with an undergraduate enrollment of 15,089, had just four students graduate in women's studies. UNC-Charlotte, with 15,572 undergraduates, had only 17 students in the department, and UNC-Greensboro, with 10,757 undergraduates, had just 12 students in the department. In 2004 N.C. State, with 22,971 undergraduates, had only nine students in their women's studies program.

Vickers addressed her second question by analyzing the courses within women's studies programs and some of

the textbooks they use.

"An examination of course syllabi from the five campuses suggests that the material taught in the women's studies programs is better described as polemical, doctrinaire and highly selective rather than meritorious and rigorous," she notes.

One of Vickers' examples was the syllabus for the required course "Introduction to Women's Studies" at UNC-Chapel Hill. The course devotes "almost half the year's class time to women's physiology and sex-related subjects." One class covers "The Myth of the Vaginal Orgasm," another looks at "Compulsory Heterosexuality and Lesbian Existence," and a third "seeks to understand 'why controlling reproductive function is crucial to the creation and perpetuation of patriarchal societies.'"

Vickers notes further that the class fails to cover the diversity of women's experiences. In the main text for the course, the only conservative female mentioned is Phyllis Schlafly. Furthermore, references to traditional values are limited.

"The course's sole class devoted to marriage has as its primary objective 'to understand why and how the family has functioned historically and continued to function as a key institution in the construction and maintenance of patriarchy,'" Vickers wrote.

During her analysis of texts used in women's studies, Vickers noted that after reading several women's studies textbooks, "one is tempted to conclude that feminist scholars write the same textbook (victimization, violence, patriarchy) over and over with slightly different titles, collect royalties, and avoid

new or controversial areas of academic endeavor."

For example, *Women's Realities*, *Women's Choices* by the Hunter College Women's Studies Collective calls for "social reform or revolution which would eradicate the exploitative effects of capitalism and make production more directly responsive to social interests." *Thinking About Women* by Margaret L. Andersen stresses the patriarchal nature of Western society. Her only illustration of patriarchy, according to Vickers, is "marital violence... an expression of men's power... in the actual marital relationship." *Feminism is for Everybody* by bell hooks, required reading in "Introduction to Women's Studies" at East Carolina, characterizes society as a "white supremacist capitalist patriarchy."

Vickers breaks down the finances of the women's studies departments. During the 2003-04 school year, the women's studies departments at UNC-Charlotte and N.C. State received 100 percent of their budgets from taxpayers. Taxes paid for 94 percent of UNC-Greensboro's program and 83 percent of the women's studies budget at UNC-Chapel Hill.

In conclusion, Vickers asserts that taxpayers must be unaware of where their higher-education dollars are going. She wrote that "if taxpayers did know what the teachings were and that very few students are interested in them anyway, it's doubtful that many would favor continuing their current level of support — if at all."

The report is available online at [www.popecenter.org/inquiry\\_papers/article.html?id=1549](http://www.popecenter.org/inquiry_papers/article.html?id=1549). CJ

**Excerpt from "An Empty Room of One's Own"**

...Across the programs, the textbooks and readings... tend to focus on the same litany of complaints and false assertions that the programs in general focus on: Women as victims of patriarchy, women as unequal to men in the workforce and as victims of a wage gap, and women as victims of male violence. The books encourage lesbianism, represent marriage first and foremost as a perpetuator of male dominance, advance almost exclusively Marxist and proto-Marxist economic and social views, and fully omit discussing important female figures and movements that don't fit the left-of-center, feminist category. Thus, the books, like the course syllabi, drive an outside observer to the conclusion that North Carolina's publicly funded Women's Studies programs are characterized primarily by insularity and narrowness, ideological bias, and a tendency toward misinformation.

There's something else that's distinctive about the books as well... The Clintons are never studied, globally influential female politicians (i.e. former British Prime Minister Margaret Thatcher, Secretary of State Condoleezza Rice) are not studied, nor are — to name but a few categories — women in religious work, women as soldiers, women as founders and leaders of charitable organizations and philanthropies, women as business-owners and economic decision-makers, women as conservatives, nor post-baby-boom women who are leaving the workforce in larger numbers than ever to have families...

Civil Rights commissioner speaks at UNC-CH

## Preferences' Harm Blasted

By SHANNON BLOSSER  
Contributing Writer

CHAPEL HILL

For decades, higher education institutions have used racial preferences and quota programs, euphemistically called "affirmative action," in their admission policies. At least one member of the U.S. Commission on Civil Rights would like to see that practice come to an end.

Peter Kirsanow, a member of the U.S. Commission on Civil Rights who was appointed by President Bush, spoke to students April 12 at the University of North Carolina at Chapel Hill, where he focused on ending the victim grievance model of civil rights. He also argued that the focus on civil rights activism should be on looking toward the future rather than to the past.

In an interview before his speech, Kirsanow explained that higher education is focused too much on racial policies that were effective in the 1960s, but are now unnecessary and even counterproductive.

"Academia is well behind the curve when it comes to this," Kirsanow said. "They're still pretty much investing in the '50s and '60s. So much of our public intellectual establishment are still invested in that."

Focusing on race in the admissions process does more harm than good, Kirsanow said.

"Many universities have this obsession with counting by race," Kirsanow said. "In so doing, they highlight racial differences, if any. I think they exacerbate the problem by — even when it's not necessary — focusing on race and ethnicity. I also think that the whole matter of affirmative action, while it's not a giant societal problem, has the tendency to cause people to count by race, especially in academia, and also has the tendency to stigmatize the beneficiaries of affirmative action and hence their advancement."

Kirsanow's address came only a few days after the release of a new Cato Institute policy paper, "The Affirmative Action Myth," by Marie Gryphon.

In the paper, Gryphon writes that "[a]ffirmative action produces no concrete benefits to minority groups, but it does produce several harms." Gryphon wrote that "a phenomenon called the 'ratchet effect' means that preferences at a handful of top schools, including state flagship institutions, can worsen racial disparities in academic prepara-

tion at all other American colleges and universities, including those that do not use racial preferences. This effect results in painfully large gaps in academic preparation between minority students and others on campuses around the country."

Both Kirsanow and Gryphon challenge the idea that race-based policies are necessary to ensure that blacks and other minority groups have a chance to attend college. Kirsanow mentioned the 1996 California initiative Proposition 209 that banned public institutions in the state from giving favorable treatment to any group based on race, sex, color, ethnicity, or national origin. Prop 209 received 54 percent of the vote in 1996.

Detractors claimed, Kirsanow said, that the bill would limit the number of blacks who went to college and would have a near "Holocaust effect" on blacks wanting to get a college education. What actually occurred after the passage of Prop 209 was that black and minority college attendance rose to levels higher than

before.

"There was a slight dip in the number of admissions at the elite public schools," Kirsanow said. "What happened is black students started going to what some people would consider second- or third-tier public universities. The overall admission level did not fall, but actually started to rise."

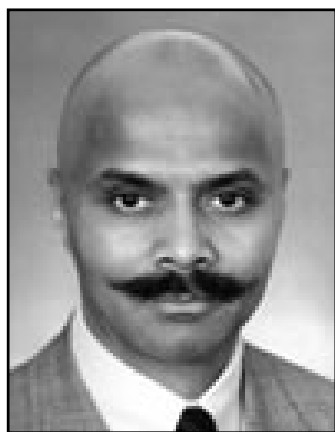
The California initiative, while also increasing the number of blacks who attended college, also had the effect of increasing the number of blacks who graduate from college, Kirsanow said.

"The reason is, these students might not have been ready to compete at Berkeley, but could have competed at UC-Riverside, and they did well," Kirsanow said.

Kirsanow said the increase in the number of blacks who graduate from college is important.

"Some people like to celebrate how many people actually get into school," Kirsanow said. "I think a better measure is how many people actually complete school, get a degree, and become an active member of the society. I don't care if they graduate from Harvard or some other school that doesn't have such an illustrious pedigree. If they get a degree and they've gotten an education, what sense does it make to go to Harvard for a year and drop out as opposed to going to another school and getting a four-year degree and becoming a productive member of society?"

CJ



Peter N. Kirsanow of the U.S. Commission on Civil Rights.

### Commentary

## Does N.C. Need an Optometry School?

No one spends other people's money as carefully as he spends his own." So says Nobel Prize-winning economist Milton Friedman.

The University of North Carolina at Pembroke has advanced a plan to build a school of optometry at the geographically remote campus. The budget contains \$10 million for the initial planning and development of the project, but no funds can be expended until the UNC president's office gives approval.

There are no schools of optometry in North Carolina, but that isn't unusual. There are only 16 optometry schools in the country (plus one in Puerto Rico). That doesn't prevent people who receive training in optometry from going wherever the demand is.

In its press release announcing the project, UNCP observes that there is no school of optometry between Philadelphia and Birmingham. Quite true, but how does that lead to the conclusion that North Carolina taxpayers should pay to build an optometry school in Pembroke?

If citizens of Raleigh, for example, need optometric services, we don't have to drive to Philly or Birmingham. We have plenty of competing optometrists right here.

UNCP officials — eager to spend other people's money — insist that the rural Southeast is "underserved" with optometrists. Rural areas are underserved with lots of things that one finds in greater profusion in cities, but that doesn't mean that people who live there are unable to get what they want or need.

Even if there were an optometry school at UNCP, why should anyone believe that students who studied there wouldn't go wherever the best-paying jobs were? There is an optometry school at the rural Ferris State University in northwestern Michigan, but there's no evidence that people who got optometry degrees at Ferris head out into the hinterlands looking for some little hamlet that doesn't have an optometrist.

If there were a looming shortage of optometrists, it would make sense for the existing schools of optometry to expand. That's how businesses behave when they find demand for their product rising. Building a new school certainly isn't a very cost-effective means of increasing the number of

trained optometrists.

But the more-likely scenario, according to a study done for the American Optometric Association, is that there will be a surplus of optometrists without adding a school at UNC-P. According to a 2000 analysis commissioned by the AOA, by 2010, there may be more than 3,500 more optometrists than there is work for in the United States.

Commenting on that study, the president of the Pennsylvania College of Optometry, Dr. Thomas Lewis, said, "I don't think anyone in the colleges is thinking about increasing enrollment, but we should be concerned about a decline."

Furthermore, North Carolinians aren't taking full advantage of the good

deal the state has for them if they want to study at several of the existing schools of optometry.

Under contracts UNC has with the Southern Regional Education Board and the Pennsylvania College of Optometry, up to 84 North Carolinians can take spaces in four schools. They get the benefit of low in-state tuition at two public universities, and substantial tuition assistance at two private schools.

If optometry were anticipated to be a growth industry, you'd expect those spaces to be filled. They aren't, though. During the 2003-04 school year, only 65 of the spaces were used. Why go to the expense of building a new optometry school if North Carolinians currently aren't using all the subsidized places UNC has negotiated?

Answer: other people's money.

The UNC-P officials and supportive politicians who want to see the project continue won't be spending their own money on it. They wouldn't blow their own money on, say, costly diagnostic equipment for their cars when they can have a garage or dealership do whatever work is necessary with its equipment.

Citizens of the state who have vision problems will be no better off with an optometry school located at UNC-P. They will, however, be somewhat poorer, with tax dollars diverted to another needless UNC expansion.

CJ



George C. Leef

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

## Course of the Month

**'Unscientific' N.C. Wesleyan Prof Teaches Grand Conspiracies**

If you suspect the Bush administration planned the attacks of Sept. 11 for global domination, that a Jewish cabal controls world events, that President Dwight Eisenhower was abducted by aliens and forced to sign an interplanetary treaty, and that he, Presidents Richard Nixon and Ronald Reagan and the Bushes have traveled to a remote California location for owl worship, then you'll want to learn more about this month's winner.

It's a North Carolina Wesleyan College political science course taught by Professor Jane Christensen:

**POL 495: 911 THE ROAD TO TYRANNY**

*The events of September 11, 2001, indisputably changed the course of American politics and history. This course is offered so students may examine various events and policies leading to 911. In particular, this course will focus largely on the specific destruction in lower Manhattan and the Pentagon. We will examine the official story and analyze it critically. We will consider alternative explanations of what occurred (sic) as well. 911 was a catalyst for the wars in Afghanistan and Iraq as well as the attack on civil liberties in the United States. We will examine each of these with a critical eye. The goal of this course is to arrive at a solid understanding of how 911 has shaped our political future and to promote critical analysis by students of this catastrophic event and its aftermath.*

*This course is outside the scope of traditional "political science" in many ways. First it is "unscientific" in that it relies much on eyewitness accounts and speculation. Secondly, there is not yet a solid literature on the September 11 "attacks" or on the war on terrorism. This literature is emerging, particularly on the latter. Thirdly, this course will rely somewhat extensively on alternative news media accounts and a variety of films and videos in lieu of literature.*

Another class using film "in lieu of literature" — always a CM favorite. Of course, CM also loves it when courses go outside the scope of their ostensible discipline, and this course proudly proclaims the fact.

For her course, Christensen lists several conspiratorial websites as "recommended reading" that "should be visited every day." A sampling of offerings on those sites revealed the following collegiate instructional material: Israel is engaged in the "white slave trade"; Eisenhower signed "a formal treaty between the Alien Nation and the United States of America"; "There is

a very active male homosexual ring operative at the very highest levels of 'our government'; my guess is that this is the blackmail link that facilitates entry into the Council on Foreign Relations and that, once in, one can never leave—alive"; George Bush and Condoleezza Rice slipped up and announced their marriage; the election of 2004 was obviously "staged," because the U.S. is a "dictatorship" where people are "slaves"; the U.S. plans to "annex Canada"; and "Evidence of Bush Administration Foreknowledge and complicity [in the 9/11 attacks] is now overwhelming."

Christensen requires another website, however, which she says is "one of the best on the web!": "Alex Jones' Infowars.com." What collegiate material does this website have?

Among many others, it has an section entitled "Bohemian Grove," which reveals: "Since 1873, the Global Elite Has Held Secret Meetings in the Ancient Redwood Forest of Northern California. Members of the so-called 'Bohemian Club' Include Former Presidents Eisenhower, Nixon and Reagan. The Bush Family Maintains a Strong Involvement. Each Year at Bohemian Grove, Members of This All-Male 'Club' Don Red, Black and Silver Robes and Conduct an Occult Ritual Wherein They Worship a Giant Stone Owl, Sacrificing a Human Being in Effigy to What They Call the 'Great Owl of Bohemia.'"

Other required reading material is Marxist academic Michael Parenti's *The Terrorism Trap: September 11 and Beyond* and George Humphrey's *911 The Great Illusion* with an accompanying film of the same name (which Jones praised for "cover[ing] the broad spectrum of facts exposing the globalists' orchestration of 9/11").

Along with these texts are required readings from several extremist websites and other films, including (naturally) Michael Moore's *Fahrenheit 9/11*, plus a chapter from *Behold A Pale Horse* by William Cooper, described glowingly on one of Christensen's recommended sites as the man "whose apocalyptic, constitutionalist shortwave radio programs were a major influence on Oklahoma City bomber Timothy McVeigh."

Much more info about this course is at [www.popecenter.org/course\\_month](http://www.popecenter.org/course_month). CJ

**UNC President Molly Broad Announces Her Plans to Retire**

By SHANNON BLOSSER  
Contributing Editor

CHAPEL HILL

University of North Carolina President Molly Broad announced her retirement April 6 in a letter to Board of Governors Chairman Brad Wilson. The announcement came two days after a Senate GOP letter lobbied to name former Clinton administration Chief of Staff Erskine Bowles the system's next president.

Broad's retirement is effective at the end of the 2005-06 school year or once a successor is named. An economist by training, Broad came to the UNC system in 1997 after serving as the executive vice chancellor and chief operating officer for four years with the California State University system.

Once her retirement is official, Broad will take a faculty position with the UNC-Chapel Hill School of Government, a position that was created for her well before her retirement was announced Wednesday.

"Serving the people of North Carolina and their remarkable university will always be the greatest privilege of my professional life and an honor beyond any I might have imagined," Broad wrote in the letter.

Broad became president after C.D. Spangler, Jr. Since then, UNC's budget has grown by more than \$1 billion in total spending, including both federal and state resources. The fiscal

1998 budget was \$2.32 billion, while the proposed budget for the 2007 fiscal year, under discussion in the North Carolina General Assembly, is \$3.5 billion.

**The 2000 bond referendum**

Also, during Broad's tenure with the UNC system, North Carolina voters approved a \$3.1 billion bond package for capital improvement projects for community colleges and public universities. Broad said she wants to ensure that the bond program "enters the home stretch positioned for a strong finish" during her final months in office.

During the campaign for the bond referendum, Broad and many other UNC officials, including chancellors, reassured voters that approving the bonds wouldn't require a tax increase. Nevertheless, the General Assembly has approved tax increases nearly every year since 2000.

"The University of North Carolina is in a strong, healthy condition, and I am confident that it is well positioned for this coming transition," Broad wrote.



UNC System President Molly C. Broad

During the latter years of her presidency, Broad faced criticism from conservatives in the General Assembly for requesting huge increases in spending, while UNC leaders claimed they could not face budget cuts.

In a Joint Appropriations Committee meeting earlier this year, Sen. Robert Pittenger, R-Mecklenburg, grilled Broad about the spending within the university system. During the hearing, Pittenger pointed out that 45 percent of the money spent on higher education goes toward administrative costs.

"[Administrative costs] is a concern to a lot of us in this room," Pittenger said at the time.

**Erskine Bowles for president?**

Pittenger penned the Senate GOP letter lobbying for Bowles to be the next UNC system president. Bowles, a Charlotte investment banker, lost in 2002 to Elizabeth Dole in the election to succeed former Sen. Jesse Helms. In 2004 Bowles lost to Sen. Richard Burr in the race to succeed former Sen. John Edwards.

The letter was not the first time Bowles' name was mentioned as a possibility for Broad's successor. The possibility was discussed after his 2004 election defeat.

Pittenger told *The News and Observer* that "[t]his underscored the need I feel that [UNC] have somebody with business acumen to run that institution."

Bowles was recently named deputy special envoy for United Nations tsunami recovery efforts taking place in Southeast Asia. CJ

**During the campaign for the bond referendum, Broad and others promised voters the bonds wouldn't require tax increases.**



It's budget season again

## Franklin & Granted: On (Not) Getting By at the U. of North Carolina

By JON SANDERS

Assistant Editor

It is very frustrating. Chapel Hill is in a very, very vulnerable situation right now." — UNC-Chapel Hill trustee Paul Fulton, *The Daily Tar Heel*, 3/28/2005.

"We are talking about a real problem. I think this is the first round in a long, long process." — UNC-CH Chancellor James Moeser, *DTH*, 3/28/05.

"Something will have to give. Classes may get larger, sections may be cut. We can't keep taking money away and not see any effects." — UNC-CH Provost Robert Shelton, *DTH*, 4/13/04.

"We've cut the fat, the muscle; we're past the bone. This is amputation." — UNC-Wilmington assistant to the chancellor Mark Lanier, *DTH*, 2/26/04.

"If we're not cutting into the bone, we're perilously close." — UNC Board of Governors Chairman Brad Wilson, *The Herald-Sun*, 10/10/03.

"The quality of the University of North Carolina is now at great risk." — UNC President Molly C. Broad, *Charlotte Observer*, 6/11/03.

"We will not be able to hide, in any manner, the next round of budget cuts. They will be very public and very painful. I'm very concerned that the fabric of this university is being torn. These are not easy times. Once morale declines, it can be a very destructive phenomenon." — UNC-CH Chancellor James Moeser, *The Herald-Sun*, 5/24/03.

"When we are losing that many people now, this is nothing compared to what's coming." — Sue Estroff, UNC-CH Faculty Council chairman, *DTH*, 11/25/02.

"Given the 2002 North Carolina

General Assembly's lack of providing any money — any money — for salary increases, it is increasingly difficult for us to attract and retain the best faculty. And we ignore this truth at our own peril."

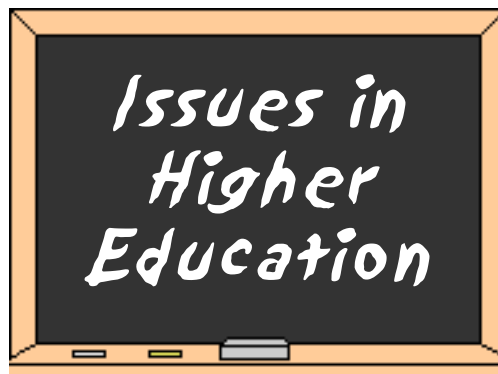
— UNC President Molly C. Broad, *DTH*, 11/11/02.

"How many small cuts do you take before you cry out in pain?" — UNC-CH Provost Robert Shelton, *DTH*, 11/4/02.

"While we have protected people and programs in the past, there is no fat left to cut... Such a large reduction in staffing and operation expenditures also would have a ripple effect on the economy of the region." — UNC-Chapel Hill Office of Government Relations, "Talking Points About Possible Budget Cuts to The University of North Carolina at Chapel Hill," 4/30/01.

"If we don't stay ahead educationally, we're going to get behind on the economic side. We don't need to do that." — UNC Board of Governors chairman Ben Ruffin, *The News & Observer*, 10/22/00.

"The needs are so urgent that we're willing to do what otherwise would be unthinkable." — UNC President Molly



C. Broad, *N&O*, 1/8/00

### The 1990s

"The entire UNC system suffered, but Chapel Hill more than the rest because it had the most to lose. So, UNC

faculty (picture your favorite professors) were easily recruited by other universities that offered them both better pay and better laboratory, teaching and research space. Top students followed the best faculty to other universities. Chapel Hill gradually dropped to the level of numerous other second-rate institutions. It ceased to be either competi-

tive or selective. So now you look worse on paper than a person who went to South Podunk U. even though he or she is far less-educated than you are. And who do you think gets hired to be your boss? You guessed it: the South Podunk

alumnus." — David Guilkey, chairman of the UNC-CH Dept. of Economics, and Ed Samulski, chairman of the UNC-CH Dept. of Chemistry, editorial in the *DTH*, 10/28/1999.

"We will be at risk again of losing ground." — Molly C. Broad, *N&O*, 9/12/98.

"The situation is particularly acute at the two research institutions [UNC-

CH and N.C. State], where experienced faculty are continually being hired away by institutions offering substantially more salary and benefits." — Lolly Gasaway, UNC-CH law professor and chair of UNC's statewide faculty assembly, *N&O*, 7/8/97.

"It is not too soon to be frightened for our own welfare." — UNC-CH Chancellor Michael Hooker, *Charlotte Observer*, 5/28/96.

"The state legislature wants a first-rate university but wants to pay second rate salaries." — UNC-CH biochemistry professor Barry Lentz, *N&O*, 10/14/95.

"We need the 6 percent increase, and even that won't close the gap completely." — UNC-CH Chancellor Paul Hardin, *N&O*, 2/12/94.

"The need for competitive faculty salaries at Chapel Hill is very great." — UNC-CH Chancellor Paul Hardin, *The University Gazette*, 5/12/93.

"It's nice to have some sort of symbolic effort, but in general it's a disaster." — UNC-CH political science professor Donald Searing, *N&O*, 6/18/92.

"The state's flagship university is being nickel-and-dimed to death." — Lead sentence, "Cuts take their toll on UNC-CH faculty; University risks losing its academic stature," by Ruth Sheehan, *N&O*, J1/15/92.

"It's almost a sense of, 'We're surrounded and embattled in a hostile environment.'" — UNC-CH political science chairman David Lowery, the *N&O*, 9/30/91.

"If we want to compete to be a national first-class research university, we're losing out." — UNC-CH economics professor John S. Akin, *N&O*, 9/8/90.

CJ



### Your Home on the Web for North Carolina Public Policy

Creating your own personal **Key Account** at [www.JohnLocke.org](http://www.JohnLocke.org) is a great starting place for tracking the critical public policy issues facing North Carolina.

Each day, your **Key Account** searches a comprehensive database of JLF reports, briefing papers, news articles, press releases, and events notices to display timely information about the issues of your choice. It's an excellent tool for those drafting legislation, researching policy issues, preparing news stories, planning political or lobbying campaigns, or seeking information with which to be an informed voter and citizen.

Visit [www.JohnLocke.org](http://www.JohnLocke.org) and create your personalized **Key Account** today!



### CarolinaJournal.com is Your Daily Launching Pad to the Best North Carolina News, Analysis, & Opinion

• Reports and columns on the legislature, politics, culture, and local government from Carolina Journal editors and reporters.

• Carolina Journal President John Hood's exclusive "Daily Journal."

• Timely links to important stories and editorials from the state's major newspapers, magazines, and other media organizations.

• Instant access to state & national columnists, wire reports, and the John Locke Foundation's other public policy web sites.

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

## Town and Country

## Town seeks grant for center

The town of Coats is seeking a \$500,000 state grant to build a civic center downtown, *The Fayetteville Observer* reports.

Coats has applied for the grant through the N.C. Parks and Recreation Trust Fund. The grant requires a \$500,000 match, which the town plans to raise, said Seth Floyd, town planner.

The \$1 million civic center would be built on three acres on West Main Street. The proposed 15,000-square-foot building would include a large meeting room that would double as a gymnasium. The meeting room would be designed to accommodate 600 to 1,000 people, Floyd said. Preliminary plans also include a full-service kitchen and a foyer.

"This would be a huge, huge boost for Coats," Floyd said. "A lot of small towns get caught up in small thinking, but Coats is thinking big."

The civic center would be similar to the Sampson County Agri-Exposition Center in Clinton but not as large, Floyd said. Coats officials say they hope a civic center would be used as a cultural resource and stimulate the town's economy.

The town, which has less than 2,000 people, does not have a place for meetings, concerts, or sporting events.

Floyd said there is not a facility for those activities in Harnett County. The civic center in Coats would be the first.

## County raises impact fee

The Chatham County commissioners voted 4-1 April 4 to raise its impact fee from \$1,500 to \$2,900, to help pay for almost \$73 million in construction, *The News & Observer* of Raleigh reported.

The higher fee should generate enough money to build two schools and expand a Siler City high school cafeteria. The three projects total \$41 million.

The remaining \$31.7 million would be covered by raising the county tax rate an estimated 4 cents per \$100 valuation, or \$40 a year for a \$100,000 home, said Finance Director Vicki McConnell.

Neither measure would begin to pay for a new high school — another identified need. The commissioners discussed raising the impact fee to \$3,200 or even \$3,500, either of which McConnell said would have raised enough money for the new school.

The increase went into effect April 15. *cj*

## Public Housing in Greensboro Questioned

## St. James Homes follows the debacle of Project Homestead

By SAM A. HIEB

Contributing Editor

GREENSBORO

**I**s there a problem with public housing in Greensboro? It depends on whom you ask.

But there have been two high-profile public housing failures in the city within the last year. The most recent one was St. James Homes II, a 36-unit complex in which taxpayers had invested more than \$1 million over the last 12 years. Greensboro officials said in January that the city would purchase and raze the complex.

While the waste of taxpayers' money is bad enough, St. James' demise created some unexpected political waves.

## \$1 million loan to church

A \$1 million loan, made in 1993, was made to St. James Baptist Church, which in turn hired a management company run by Guilford County commissioner Skip Alston. In 2001, an investigation conducted by the *News & Record*

of Greensboro revealed the complex's rundown and crime-ridden condition. Alston, feeling some political heat (although experts say there was no real conflict of interest) stepped aside in favor of Donald and Sarah Graham, owners

of a local rehabilitation center. The Grahams planned not only to fix up St. James Homes II, with help from a half-million dollar grant from HUD, but also assumed responsibility for the original \$1 million loan, on which not a single payment had been made.

City leaders approved the arrangement, while county commissioners approved \$140,000 more in funding. This was all done despite the fact that the Grahams had a spotty financial history. The *News & Record* looked into the Grahams' finances, which showed unpaid taxes, unpaid bills, and foreclosure proceedings on their home.

Still, the Grahams were praised by Greensboro housing advocates, who heralded their work in drug abuse treatment. Such praise evidently won over Housing and Urban Development officials, who awarded a \$588,000 grant to the Grahams' nonprofit Christian Counseling and Wellness Group.

A red flag was raised in 2004 when Greensboro officials performed a monitoring visit and found that necessary repairs hadn't been made on the apartments. There was no reserve fund, and \$2,000 in rent was collected for 2002 and 2003. The yearly external audit of St. James Homes had been delayed for two



St. James II, public-housing project at 1200 block of Eugene Street in Greensboro.

years, but the Grahams assured city officials they had a contract with a CPA firm to begin an audit that April.

Department of Housing and Development officials also became suspicious and withdrew hundreds of thousands of dollars of additional grant money promised to the Grahams.

The Grahams responded to the city's skepticism with a letter to acting internal audit director Len Lucas. In the letter, they thanked Lucas for granting a 15-day extension to present a comprehensive plan of action for St. James. Then the Grahams suggested the city had its own motives for not supporting the project.

"The project has not moved forward because we have been 'redlined.'"

Special interest group(s) desire to tear down the apartments for self-serving reasons," the letter said.

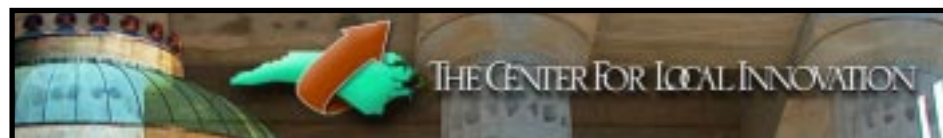
The letter was not specific, but many observers think the Grahams are referring to the city's brief interest in using land near St. James for a new downtown baseball stadium. The site did not work because of environmental problems, and a privately financed stadium is near completion on another downtown site acquired through a controversial land-swap deal.

While stadium opponents briefly seized upon this conspiracy theory, the true controversy centered on Alston's comments in the *News & Record*.

"The city staff is racist," Alston said.

He altered his comments in a later article, saying he wasn't referring to the entire city staff, just "about people within

*Continued as "Greensboro," Page 17*



## Attention City &amp; County Officials

*And others with an interest in local government issues*

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





*Ethical lapses, or bad business?***Greensboro Public Housing***Continued From Page 16*

the housing department."

Alston reiterated his revised comments about the city housing staff at a county commissioners meeting Feb. 24.

"They do have a racist mindset," Alston said. "I did not apologize, by any means. I just narrowed my focus. The city manager and the city council can take that as food for thought and do something about it, or they can put their heads in the sand and make like nothing's wrong. That's up to them."

It appears now the only constructive thing to come from this situation will be the destruction of the dilapidated apartment complex. There has been no accounting of the funds granted to rehabilitate St. James Homes. Alston declines to speak with the media, saying it has an ax to grind with successful black leaders. Neither can the Grahams be reached for comment.

***Smoke, but no fire***

So is this a sign of true ethical lapses, or is time for the taxpayers of Greensboro to move on?

Experts in conflict-of-interest issues say they see no real conflict in a county commissioner benefiting from loans and grants doled out by city and federal officials. Alston could have indirect influence over such expenditures, but no real direct influence.

It "sounds like it could be an ethical conflict of interest. But if [Alston] does not vote on the city council, it is probably not legally a conflict of interest. The commissioner may be able to use his influence to get the city to give him a favorable deal. But there is no legal conflict of interest unless he actually gets to vote on it — and even then if he recuses himself, there is no conflict of interest," said Randal O'Toole, an expert with the Thoreau Institute.

What might bother many is the fact that Alston is a successful businessman who has been a part of different for-profit business developments around Greensboro, many of which have benefited from economic incentives. He recently said he would develop a strip mall on East Market Street, with the anchor tenant being a barbecue restaurant. So, many observers think there's no reason his company couldn't have managed St. James more effectively.

The same can't be said for the Grahams. It appears as though they were well-meaning people who were just in over their heads.

Ron Utt, a public housing expert

with the Heritage Foundation in Washington, D.C., said it's common for non-profit groups with no real property management experience to get involved with public housing projects, mostly because experienced property managers see no profit in such a venture.

"A lot of these things don't work out, not because there's any corruption, but because they're well-meaning amateurs operating an apartment building with often troubled tenants," Utt said.

"It's not the easiest thing in the world. The wear and tear tends to be greater, the management problems tend to be more intensive. You take something that ought to be done by professionals and you have it done by amateurs, and you have problems. They didn't do anything wrong; they shouldn't have been in the business in the first place. If, for example, you're a church, then just being a church is a full-time job. Do you want to go out and become an apartment manager? It's tough to make distinctions in the quality of their business acumen when they have no business experience."

***And then there was Homestead***

This is Greensboro's second public housing failure in the last year. Another nonprofit agency, Project Homestead, filed for bankruptcy in January 2004 after a city audit revealed financial irregularities. Homestead built or rehabilitated 700 houses or complexes around Greensboro since 1991, during which time it received more than \$17

million from the city. The city audit revealed many financial irregularities, including personal use of credit cards and vacations at company expense.

The situation proved to be too much for Homestead's leader, the Rev. Michael King, and he committed suicide in December 2003.

So does Greensboro need to rethink its policy toward public housing? Some changes are indeed in order, but a radical transformation isn't necessary, at least not yet.

"One should exercise caution and look at the entire affordable-housing picture in Greensboro before assuming it's a failure," said Greensboro City Councilman Sandy Carmany.

"Yes, St. James and Project Homestead have been publicized for their problems, but they are the exception, not the rule. While I certainly support tightening procedures to ensure accountability — and have already done so in several ways — I do not support abandoning our current efforts." CJ

***"Yes, St. James and Project Homestead have been publicized for their problems, but they are the exception, not the rule."***

**Commentary****Finding Pieces to the Education Puzzle**

For some time the Center for Local Innovation has been exploring an array of novel approaches for local government to implement. Many of the innovations are aimed at improving delivery of governmental service and lowering the cost of the service to the taxpayer. Citizens may rest a little easier knowing that my research has uncovered literally hundreds of individual ideas that are taking hold in communities large and small. Even so, the most serious threat to tax stability and the local decision-making process is the continual encumbrance of state and federal government mandates.

While we are all familiar (or should be) with the mess that is Medicaid

at the local level, commissioners and school boards statewide will clash heavily as a combination of natural growth and "mandates" by the state that children be in smaller classes will hit us all in the form of higher taxes soon.

In short, every school currently in existence was designed for a specific range of students. Thus a school designed for 800 kids, has "X" number of classrooms, a library, a cafeteria and athletic facilities to handle say, 600 to 900 students.

When the governor creates a law that requires that every classroom have fewer students, the classrooms required for those students don't magically appear. School boards then must decide to build more schools, expand their current ones, or start buying mobile classrooms in bulk. Building new schools to accommodate this decree is truly a waste of money because the school they are removing students from still has the infrastructure (cafeteria, library, gym) to handle the larger population that is no longer allowed.

Expanding a school is not always an option because land purchased at the time of the original school construction may preclude any type of expansion. Beyond this, there isn't necessarily a cost advantage to doing this because of the alarming increase in school construction costs whether localities build or expand.

And when discussing mobile classrooms, parents and the press all cringe regardless of the validity. Winston-Salem is to be commended for exploring a "pod" concept in which seven classrooms and restroom facilities

are all included. School districts can offer a full curriculum, students don't have to leave the building to use the restroom, and regulations require only two handicap ramps rather than two per-mobile classroom, which costs thousands per ramp. "Pods" also take up far less room than mobile classrooms and are cheaper than new construction.

This is by no means a magic solution, but it is one that may work elsewhere in the state. The construction of schools is taking a toll on local debt capacities across North Carolina. The Local Government Commission recently told Chatham County officials to trim \$80 million from their capital plan because of decreased

debt capacity. In various forms, this story is taking place far more frequently. Scotland County may finally top the 1.2 percent rate for property taxes (keeping in place the county's highest rate in the state ranking).

Some would say I'm being negative, focusing on the problem rather than the solution, but it is my hope that through this process local officials will begin to renew the way in which they look at local educational funding. One Wake County commissioner recently discussed using the schools year-round in a "track" system. The track system would increase use of the buildings by 20 to 30 percent. The system could delay the need for new school construction by years and save tens of millions of taxpayer money.

The point is that we are entering a time that requires innovation and vision. We can no longer afford to fund education locally the way we always have. Educational needs are growing faster than the local ability to pay for it. Without innovative discussion and thought, counties will approach their debt and taxation limits and they will simply look at more creative ways to take money, such as high impact fees. One learns quickly that a wildcat is not likely to appreciate being put in a cage for a trip to a veterinarian. School boards may well see attempts at innovation in the same way. CJ

**Chad Adams**

*Adams is vice chairman of the Lee County Board of Commissioners and director of the Center for Local Innovation. Visit [www.LocalInnovation.org](http://www.LocalInnovation.org) for more.*



## Local Innovation Bulletin Board

## Too Many Paramedics

Cities having larger paramedic staffs do not always have higher cardiac-arrest survival rates, according to *USA Today*.

Large cities have debated whether to staff each fire engine with a paramedic in order to ensure that specially trained medical staff is on the scene when a victim suffers cardiac arrest. However, cities with fewer paramedics have remarkable survival rates. In examining medical data on 12 of the nation's largest cities, *USA Today* found that victims of cardiac arrest are more likely to be revived in cities that spend fewer taxpayer dollars on paramedics.

Seattle has the highest survival rate in the nation at 45 percent, yet has a low paramedics ratio of only 1.28 per 10,000 residents; Boston, with the second-highest survival rate of 40 percent, has the lowest paramedics ratio of only 0.86 per 10,000 residents. In Tulsa, only five of the city's 30 fire engines have a paramedic on board, yet the survival rate for cardiac arrest is above the national average at 26 percent.

Conversely, Nashville's paramedic ratio is 3.33 per 10,000, yet its survival rate is only 8 percent; likewise, Omaha, Neb. has the highest paramedic ratio in the nation at 4.70 per 10,000, but has only a 16 percent survival rate.

In cities such as Seattle, Boston, and Tulsa, fire-fighters are trained in rapid response and basic medical care, eliminating the need for a paramedic on every fire engine. Paramedic teams will then arrive a few minutes later to provide more specialized care.

Observers note that since most 911 calls are nonemergencies, having a large paramedic staff means each one is doing fewer emergency procedures, making it difficult for cities to monitor their training and skill levels.

### Jobs-Plus Works

Public-housing residents are more likely to seek higher-paying jobs if they think they will not be penalized with higher rents that lower their income, say researchers from the Manpower Demonstration Research Corporation, a New York nonprofit organization specializing in social-policy research. They also found that main-

taining rental fees, combined with other incentives, prompts residents to move up the income scale.

In a six-year review of a pilot project known as Jobs-Plus, researchers tracked 5,000 residents of public-housing complexes and compared the earnings at complexes with Jobs-Plus to sites with similar population and salary demographics.

Annual earnings of residents at three public-housing complexes that fully implemented Jobs-Plus were 14 percent higher annually over the first three years of the project than they would have been without the program.

Rental incentives that allowed residents to keep more of their earnings, and employment-related services such as résumé writing, increased the incomes of residents participating in the project by nearly 20 percent during the last year of the project.

Implementing the program at a complex is estimated to cost about \$150 per targeted resident a month.

Reported in the *Wall Street Journal*.

### Red-light cameras

Many local governments are installing red-light cameras in busy intersections. Proponents of the cameras argue that they make streets

safer. However, according to the *New Republic's* Gregg Easterbrook, red-light cameras are being used primarily to generate revenue, even if they cause unsafe traffic conditions.

For example, in Montgomery County, Md., local officials retimed the yellow light from four-seconds to two-seconds to get more drivers to run red lights. This generated additional revenue, but made traffic less safe as more people accidentally ran red lights.

Similarly, in Washington, D.C., the company that operates the cameras gets a bonus when tickets exceed a quota. If the real goal was to reduce the running of red lights, city officials would be happy when the number of tickets declined, because that would mean fewer violations. Instead, the program is structured to increase the number of tickets issued, because the real goal is securing money. CJ

**Victims of cardiac arrest are more likely to be revived in cities that spend fewer taxpayer dollars on paramedics.**

## From Cherokee to Currituck

# Charlotte Orders Subdivisions To Be Built With Thicker Roads

By MICHAEL LOWREY

Associate Editor

CHARLOTTE

Charlotte City Council has adopted stricter requirements for roads being built in new subdivisions in the city. The move comes after the city spent considerable sums to repave roads in new subdivisions only a few years after they were completed.

Under the new regulations, developers would have to build streets with 8 inches of stone topped by 2.5 inches of asphalt. To reduce the damage that heavy construction vehicles inflict on roads, the last inch of tar can't be applied until a year after the first layer is applied or after 75 percent of homes in the subdivision are built. The old standard had been 6 inches of stone and 1.5 inches of asphalt.

The thicker pavement is expected to drive up new-home prices by \$600 to \$800. The requirement applies only to subdivisions approved after April 15.

"Every day and every week that goes by, more plans are being approved with the old standard that are going to result in more expense to the city," City Engineer Jim Schumacher said to *The Charlotte Observer*. The city has been spending about \$1 million a year to repave new suburban streets that fail prematurely.

City Councilman John Tabor objected to the new regulations. He said they were costly and didn't address the real problem. Tabor argued that many roads failed because developers weren't building them to meet existing standards and that city inspectors weren't catching the problem.

"I think you've added a lot of cost, a lot of bureaucracy that you did not need to have" he told Schumacher at a council meeting.

### Durham traffic controls

Hopefully by this summer, Durham's new traffic control system will be ready for service, *The News & Observer* of Raleigh reports. Work on the \$12.5 million system began in 1997 and was originally expected to be complete by 2000.

Like a similar upgrade to traffic lights under way in Raleigh, the Durham system will provide more real-time information via a fiber-optic network to technicians at a central control center, who can adjust the timing of traffic lights instantly to address changing traffic pat-

terns. The new system would also better synchronized traffic lights by allowing individual lights to be recalibrated several times a day against a master clock.

Durham's current traffic light control system dates to 1979. A 1995 study said it was "obsolete." Work on a replacement has been slowed because a state contractor is behind schedule and changes to the scope of the project have been made. The N.C. Department of Transportation will give the system to Durham upon completion and pay the city a yearly fee to maintain it.

Traffic engineers said misadjusted traffic lights can reduce an intersection's capacity by nearly a third. The new system is expected to save drivers time and money by reducing gasoline consumption and reduce pollution.

### Pittsboro growth limits

Pittsboro officials are considering extending the duration and expanding growth limits the town imposed last year. The restrictions are aimed at reducing the strain on the Chatham County town's sewage system.

Last year Pittsboro temporarily prohibited the construction of new subdivisions of seven or more houses unless they had their own sewage systems.

"If you limit residential and don't limit the other [commercial], it's not fair," Pittsboro Town Board member Max Cotten said to *The Herald-Sun* of Durham. Cotten originally raised the idea of also limiting commercial development.

The town is considering leasing 1,000 acres of land for a wastewater sprayfield as a stopgap measure. Chatham County has committed to contributing \$5,000 a month for up to five years (\$300,000 total) toward the sprayfield.

For the county, the move is motivated by self-interest. More growth in Pittsboro would increase the tax base and allow for the issuance of more bonds to address capital needs.

"We've got companies that want to come in here now, but they can't because [Pittsboro] can't accommodate them," Chatham Commissioners Chairman Bunkey Morgan said to the newspaper.

In the long term, Pittsboro officials would like to establish a new discharge site in either the Haw River or Jordan Lake. CJ

**The city has been spending about \$1 million a year to repave new suburban streets that fail prematurely.**

# 21 Localities in North Carolina Seek Tax Increases

Bills introduced in General Assembly to allow specific localities to raise or impose specific taxes

By **MICHAEL LOWREY**  
Associate Editor

RALEIGH

**T**he General Assembly is in session, and for localities, that offers the hope of favorable changes to state law. North Carolina cities and counties are creations of the state and possess only as much authority as the legislature grants them.

Nowhere is this limit more apparent than in localities' taxing power. While municipalities and counties are free to raise property tax rates, imposing new forms of taxation or raising many of the existing levies requires legislative approval. Through mid-April, bills have been filed that would allow for additional taxation in at least 21 localities. Additional measures are likely as placeholder bills are amended to provide for local tax increases.

## Occupancy and meals taxes

The most common requests for additional taxing authority involve occupancy taxes. These so-called "hotel-motel taxes" are levies on the gross receipts that hotel, motels, and other places of public accommodation collect. By law hotel-motel tax revenues must be used for tourism-related projects. Localities often use these revenues to help fund civic centers and other tourism related-infrastructure projects.

Bills have been introduced to increase the occupancy taxes in Madison (bill H544), Duplin (H843), Transylvania (H470) Pasquotank (H351), and Cumberland (S481) counties and in Elizabeth City (H351).

The towns of Belmont (H580), West

Jefferson (H125), Roanoke Rapids (H540), and Halifax County (H540) would gain the authority to impose an occupancy tax under bills introduced this session.

The Assembly had previously approved higher occupancy taxes in Carteret and Durham counties, provided the extra funds went to pay for specific projects and certain project milestones were met. Bills introduced this session would give local governments more time to meet the requirements to continue collecting the higher taxes.

Monroe, meanwhile, is seeking the power to tax food sold at restaurants. H689, introduced by Rep. Pryor Gibson, D-Anson, would allow a referendum on an additional 1 percent tax on prepared meals. Proceeds from the proposed levy would be used to help fund a Monroe civic center project.

## Local sales taxes

North Carolina localities receive 2 1/2 cents of the state's general seven cents per dollar sales and use tax. Bills are pending that would allow referendums in four counties to raise the local sales tax rate. The counties and proposed higher sales taxes are:

- Alexander, a one-cent increase, with the extra revenue earmarked for "capital and infrastructure improvements or to retire indebtedness incurred by the county for these purposes."
- Pitt County, a one-cent increase for school and community college construction.
- Lee County, a one-half-cent increase for school construction.
- Haywood County, a one-half-cent

increase for community college construction. Unlike the other three local sales tax bills that are permanent, Haywood's extra sales tax would expire in six years.

Currently only Mecklenburg County imposes an additional local sales tax, with the revenues from the extra one-half-cent levy going to fund the local transit system including the construction of rail transit lines.

Voters in Gaston County rejected a higher local sales tax last year; the extra revenues would have been used for economic development or tourism-related projects.

## Other taxes

Lawmakers also introduced bills to authorize land transfer taxes in four counties. H932, sponsored by Rep. Howard Hunter, D-Hertford, would allow the citizens of Gates County to vote on whether the county should adopt a 1-percent tax on land transfers. The bill would allow the funds generated to be used for any purpose unless the county commission specifies a purpose for in-

clusion with the referendum.

Rep. Bill Owens, D-Pasquotank, meanwhile, is the sponsor of H950, a measure that would allow the Tyrrell County Commission to adopt a land transfer tax. A referendum would not be required. The bill does not set a tax rate, though it does specify that the tax cannot exceed 1 percent of the value of the property changing hands.

Reps. Verla Insko, D-Orange, and Joe Hackney, D-Orange, have also introduced a bill to allow Orange and Chatham counties to impose land transfer taxes under similar conditions. It is H1062.

The two Orange County legislators also have introduced a bill (H802) that would let Chapel Hill create utility tax districts. Under the measure the town could create special tax districts and charge a additional month tax to fund the burying of utility lines. The fee would be \$1 per month for residential and \$5 per month for commercial or industrial electrical power customers.

The status of bills is available via the General Assembly's website, [www.ncga.state.nc.us/homePage.pl](http://www.ncga.state.nc.us/homePage.pl). *cj*



[www.NCSPIN.com](http://www.NCSPIN.com)

*North Carolina's most-watched political talk show  
appears on television stations across the state*

## But what if you miss it?

*Now NC SPIN — featuring Carolina Journal's John Hood, host Tom Campbell, and commentators from across the political spectrum — is now rebroadcast weekly on many fine radio stations across North Carolina:*

Asheville	WZNN	AM 1350	Sundays 9:30am
Durham	WDNC	AM 620	Sundays 8am
Gastonia/Charlotte	WZRH	AM 960	Saturdays 1pm
Goldsboro	WGBR	AM 1150	Sundays 4pm
Greenville	WNCT	AM 1070	Wednesdays 6:30pm
Kings Mountain	WKMT	AM 1220	Saturdays 8:30am
Laurinburg	WLLC	AM 1300	Sundays 10am
Monroe/Charlotte	WXNC	AM 1060	Sunday 7:30am
Outer Banks	WYND	FM 97.1	Sundays 8am
Raleigh	WDNZ	AM 570	Sundays 7am, 9am
Rocky Mount	WEED	AM 1390	Mondays 9:30am
Salisbury	WSTP	AM 1490	Saturdays 11am
Smithfield	WMPM	AM 1270	Sundays 5pm
Wilmington	WAAV	AM 980	Saturdays 12:30 pm

*More stations are joining the network soon. Visit [www.NCSPIN.com](http://www.NCSPIN.com) for updates.*



## Your Home on the Web for North Carolina Public Policy

Creating your own personal **Key Account** at [www.JohnLocke.org](http://www.JohnLocke.org) is a great starting place for tracking the critical public policy issues facing North Carolina.

Each day, your **Key Account** searches a comprehensive database of JLF reports, briefing papers, news articles, press releases, and events notices to display timely information about the issues of your choice. It's an excellent tool for those drafting legislation, researching policy issues, preparing news stories, planning political or lobbying campaigns, or seeking information with which to be an informed voter and citizen.

Visit [www.JohnLocke.org](http://www.JohnLocke.org) and create your personalized **Key Account** today!

## From the Liberty Library

- The Left's failure to oust President Bush in 2004 obscured the fact that this new movement has transformed American politics, says Byron York. In *The Vast Left Wing Conspiracy: The Untold Story of How Democratic Operatives, Eccentric Billionaires, Liberal Activists, and Assorted Celebrities Tried to Bring Down a President -- and Why*, he documents the scope of liberals' efforts — the record sums of money spent, the "shell game" financial maneuvers, the close coordination between "nonpartisan" groups and the Democratic Party, the revolutionary approaches to fund-raising and reaching out to voters, and the use of movies and websites as campaign tools. York brings the reader into powwows at George Soros's estate, into the Chinese restaurant where MoveOn is born, to a gala event where Al Franken rants about the evils of the right wing, to fund-raisers where liberals openly mock the election laws they're ignoring, and to the movie premiere where Michael Moore is feted by top-ranking Democrats. Learn more at [www.randomhouse.com/crown](http://www.randomhouse.com/crown).

- President Woodrow Wilson famously rallied the United States to enter World War I by saying the nation had a duty to make "the world safe for democracy." But as historian Jim Powell demonstrates in *Wilson's War: How Woodrow Wilson's Great Blunder Led to Hitler, Lenin, Stalin, and World War II*, Wilson actually made a horrible blunder by committing the United States to fight. Far from making the world safe for democracy, America's entry into the war opened the door to murderous tyrants and communist rulers. No other president has had a hand — however unintentional — in so much destruction. That's why, Powell declares, "Wilson surely ranks as the worst president in American history." Also from Crown Forum.

- Which is more dangerous, a gun or a swimming pool? What do schoolteachers and sumo wrestlers have in common? These may not sound like typical questions for an economist to ask, but Steven D. Levitt, author of *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, is not a typical economist. He is a much-heralded scholar who studies the stuff and riddles of everyday life — from cheating and crime to sports and child rearing — and whose conclusions regularly turn the conventional wisdom on its head.

More at [www.harpercollins.com](http://www.harpercollins.com). CJ

## Book review

## Constitutional Chaos: Laying Down the Law

- Judge Andrew P. Napolitano: *Constitutional Chaos: What Happens When the Government Breaks Its Own Laws*; Thomas Nelson Inc.; 2004; 234 pp; \$26.99.

By JOHN PLECNIK

Contributing Editor

DURHAM

Judge Andrew P. Napolitano's *Constitutional Chaos* is a harsh critique of law enforcement in the United States.

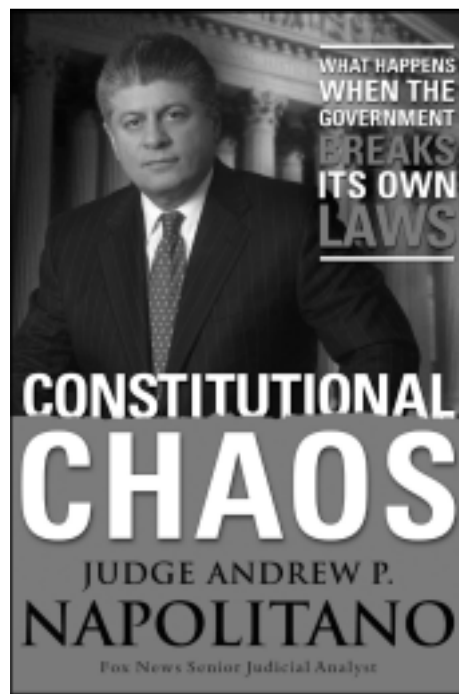
While talking heads may try to label Napolitano as a conservative by virtue of his affiliation with Fox News and Sean Hannity, this book is anything but a right-wing rant. Politicos and judges on both sides of the aisle are lambasted with equal fury; this former judge and law professor is mad, and he isn't going to take it anymore.

In essence, *Constitutional Chaos* represents Napolitano's considerable understanding of our laws and the Constitution. More precisely, it details how these dictates are truly applied to modern society and our everyday lives. Former U.S. Attorney General Janet Reno and President Bill Clinton are mercilessly taken to task. Yet, counter-intuitively, Napolitano is very critical of the Bush administration, the Patriot Act, and U.S. Supreme Court Justice Antonin Scalia.

What ideology does Napolitano espouse? A whole chapter entitled, "Personal Odyssey," details the author's self-professed beliefs and path to legal enlightenment. Napolitano began as a staunch conservative in Princeton's undergraduate program. He confesses to wearing a "Bomb Hanoi" T-shirt in 1970, and being a fan of President Richard Nixon. Throughout law school, his beliefs remain unchanged. Today, however, Napolitano claims to be a "rugged individualist," rather than a "law-and-order conservative."

What triggered this transformation? According to Napolitano, it was his eight years on the bench as a judge on the Superior Court of New Jersey. After years of being exposed to lying prosecutors, dirty cops, and overzealous law enforcement, the good judge finally concluded that "[u]nless you work for it, sell to it, or receive financial assistance from it, the government is not your friend."

From this stark and almost Libertarian perspective, Napolitano proceeds to analyze some of the most famous legal debacles of our time. Reno has the dubious honor of being featured in three separate scandals. First, Napolitano details Reno's involvement in the child day-care molestation cases that jump-started her career and laid the groundwork for her eventual appointment to the position of attorney general. The good judge insists that Reno "made a



name for herself by prosecuting innocent people so that they could rot in prison for crimes they did not commit." Using unqualified hypnotists, who held unrelated degrees in speech and education, then-state attorney Reno allowed her staff to perform "highly suggestive" interviews with dozens of children, many of whom subsequently accused their caretakers of improper behavior. Often, Reno would test the children for sexually transmitted diseases, announce a positive result and then allow the physical evidence to be destroyed before the defense could verify its authenticity.

In one particularly troubling case, Napolitano accuses Reno of literally playing wife against husband. Throwing Ileana Fuster into solitary confinement, Reno oversaw various forms of "psychological torture" and practically forced the woman to implicate her husband as a child molester. According to the author, the 17-year-old spouse was routinely held under a cold shower and thrown back into her prison cell, naked. Additionally, prison officials would take Fuster out of jail at night and bring her to restaurants in nearby Miami. After returning to prison, they would tell her, "If you ever want to see a restaurant like that again, you'll testify against [your husband]."

Night after night, the abuses continued. Series of therapists visited with the distraught Fuster, trying to elicit a confession against her husband. Finally, Reno began to make nightly visits to the cold, naked prisoner. Echoing the officials, Reno warned Fuster that she would remain in prison for the rest of her life if she failed to cooperate.

However, even this tactic proved insufficient and Reno was forced to hire a company called Behavior Changers, Inc. Using hypnotism to "recover" the

wife's lost "memories," the company finally got the ambitious Reno her statement, and Frank Fuster got a life sentence.

To this day, Ileana Fuster claims that her confession was a product of brainwashing and maintains her husband's innocence.

Reno's second appearance in *Constitutional Chaos* is centered around her administration of the infamous Waco affair. In 1993, nearly 90 members of the Branch Davidians were killed when Reno ordered the U.S. military to invade their small, religious community at Mount Carmel, outside Waco, Texas.

Napolitano thinks that the government's case for intervention was "concocted." At best, he argues, Reno's justification for ordering the ensuing bloodbath was to enforce the Davidians' compliance with a tax on machine guns. Furthermore, since Reno was using the military against American civilians, Napolitano concludes that her actions were in "clear violation of the Posse Comitatus Act, which prohibits the president and his [attorney general] from authorizing the military to engage in civilian law enforcement unless authorized by Congress." Despite the fact that Reno sanctioned the use of "Delta Forces, Special Operations, National Guard, and Army Helicopters" to collect back taxes, she was never seriously investigated.

Reno's third and final appearance details her deportation of Elian Gonzalez to Cuba. Despite a ruling from the U.S. Court of Appeals for the Eleventh Circuit, which temporarily enjoined the government from moving Elian, Reno ordered the Immigration and Naturalization Service to recapture the boy at gunpoint. From the author's perspective, this constituted nothing less than "illegal kidnapping." All in all, Napolitano sees Reno's behavior as telling evidence of justice gone amok, or rather, "the government break[ing] its own laws."

*Constitutional Chaos* is widely hailed as a brilliant analysis of our government's tendency to overreach in the context of law enforcement. The most famous legal minds and commentators of the right have all added their endorsements. Former Independent Counsel Kenneth Starr calls Napolitano's work "wonderfully readable" and "powerful." Rush Limbaugh describes it as "a wakeup call for all who value personal freedom and limited government."

I tend to concur. Though most readers, liberal or conservative, will find themselves agreeing with the good judge only half of the time, his thoughtful points serve to shed light on some of the most complex legal issues of our day. My verdict on Napolitano's first big title: It's guilty of being quite a read. CJ



## Book Review

**Essential Ronald Reagan: Lean Yet True to His Simple Style**

• Lee Edwards: *The Essential Ronald Reagan: Courage, Justice and Wisdom*; Rowan and Littlefield Publishers, Inc.; 2005; 160 pp.; \$19.95

By HAL YOUNG

Contributing Editor

RALEIGH  
**R**onald Reagan was for many people the defining president. His policies reversed the economic malaise and national doubt that characterized the post-Watergate years. He is credited with winning the Cold War. Yet there was also the embarrassment of the Iran-Contra investigations, the president seemingly distracted and forgetful, and always the tone in the media that said, "He's just a good actor. A great communicator, but an intellectual shell. A bumbling old grandfather figure."

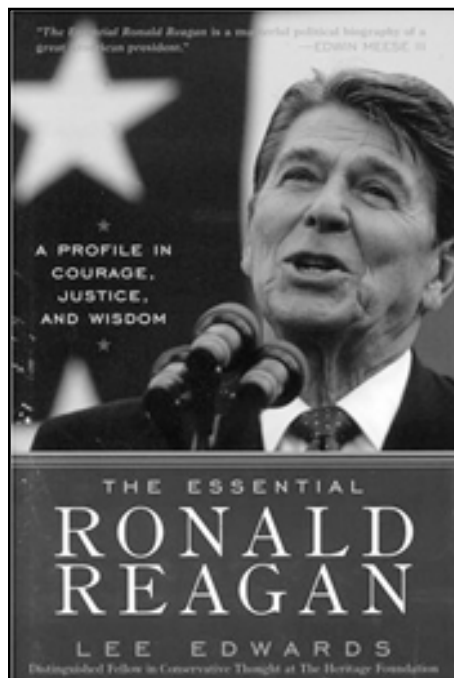
Lee Edwards addresses all these in a tightly written biography, *The Essential Ronald Reagan*. In it he traces the small-town roots and the awakening political vision of the man later known as "The Happy Cold Warrior," the smiling stage presence that hid a routinely underestimated intellect, and the genius for isolating the key principle in any given situation. As the title claims, Edwards distills the essence of the 40th president.

**From the heart to the head**

Edwards follows Reagan's early years growing up in a thoroughly blue-collar, Midwestern family, working as a lifeguard — he is credited with saving 77 people from drowning — then after college, moving from WHO radio in Des Moines, Iowa, to a chance screen test that landed him at Warner Brothers in Hollywood.

From that point, Edwards documents the transformation of a New Deal Democrat into an ardent conservative. A voracious reader, Reagan occupied himself during long pauses in filmmaking by studying and debating issues with fellow actors. One of them recalled that Reagan had "the dope on just about everything: this quarter's up-or-down figures on GNP growth, V. I. Lenin's grandfather's occupation, all... baseball pitcher's ERAs, the optimistic outlook for California's sugar beet production... One could not help but be impressed."

Reagan continued this inquisitive habit for decades. While visiting the 1966 gubernatorial prospect at home, Edwards snuck a look at the bookshelves in Reagan's den; he found volumes of history, politics, and economics, by au-



thors such as Hayek, Bastiat, and Chambers, "dog-eared and underlined, obviously read and more than once." This comprehensive curiosity and photographic retention led later biographers to call Reagan "a one-man think tank."

During the postwar years Reagan innocently joined several organizations that "would guarantee to save the world" but were actually socialist fronts. "I thought the nearest Communists were fighting in Stalingrad," Reagan later said.

Edwards records that Reagan's speeches denouncing fascism were enthusiastically applauded — until he added material criticizing communism.

Suddenly, the audiences fell "sullen and silent, forcing Reagan to realize that the people he had been talking to were curiously one-sided in their views."

But as a director and eventual president of the Screen Actors Guild, Reagan confronted the efforts of Communist organizers to take over the movie industry's trade unions through intimidation, assault, and mob violence.

By the mid-1950's, Reagan was convinced that communism was an aberration in the history of man, and as such was a force to be defeated, not deterred or contained. "Our highest aim should be the cultivation of freedom of the individual, for therein lies the highest dignity of man," he told an interviewer in 1947. "Tyranny is tyranny — and whether it comes from the Right, Left, or Center — it is evil."

Besides a willingness and ability to enunciate large moral issues in clear, ringing language, Reagan had a skill for

extracting the basic truth to apply to the problem at hand. He had a fundamental belief that the most complex issues could be brought down to key facts, addressed by core principles, and submitted to the good judgment of American citizens. As a consequence, Reagan's administrations were markedly free from the moral hand-wringing and weathervane riding that mark many of his counterparts in government.

Indeed, much of Reagan's effectiveness as a manager came from a consistent drive to simplify the political process. Newcomers to Gov. Reagan's administration were given a one-page outline of his philosophy, instructing them to limit the size, expense, and intrusion of government into private life; its final statement was, "Government exists to protect us from each other. No government on earth can possibly afford to protect us from ourselves."

Throughout his political career Reagan expected every issue to be summarized in a concise one-page format — issues, facts, discussion, and recommendations. If he needed more information, he would ask for it. After initial disbelief, staff members found that nearly every problem could, indeed, be reduced

to a brief analysis; still, Reagan continued to be an extensive reader after office hours.

Reagan's openness and simplicity were interpreted by opponents as symptoms of intellectual shallowness. Reagan could exploit this misapprehension, as he did with both Congress and Russian Prime Minister Mikhail Gorbachev on occasion, and opponents often found themselves adroitly outmaneuvered. Yet in so doing, Reagan demonstrated there is a simplicity that is not shallowness, but is a clear perception of the facts, buttressed with an uncluttered sense of the moral imperatives informing the situation. Complexity does not imply superiority of understanding — often it is the opposite.

In fact, one of the only faults with *The Essential Ronald Reagan* may be its brevity. Edwards speaks frequently about the impact of Reagan's 1961 speech, "A Time for Choosing": an appendix would be a nice addition. Even the obligatory photographic section is omitted. But in a concise study such as this, perhaps its lean structure is an appropriate testimony to the power and simplicity of Reagan's guiding principles. *CJ*



North Carolina's leading public policy institute is

**Now Hiring**

The John Locke Foundation is currently expanding its research staff of policy analysts covering state and local issues in North Carolina.

JLF policy analysts write research reports, briefing papers, and opinion columns as well as give testimony before legislative committees, attend meetings of various state and local government boards, provide data and research support to innovative leaders in the public and private sectors, and offer analysis to the print and broadcast news media.

Applicants for policy analyst must bring either academic or practical experience in at least one of the following issue areas:

- K-12 Education Policy
- Health & Human Services
- City/County Government
- State & Local Regulation

JLF is an equal opportunity employer and provides competitive salary, benefits, and the chance to advance truth and freedom in North Carolina.

Please send a resume and writing samples to **Kory Swanson**, Executive Vice President, John Locke Foundation, 200 W. Morgan St., Suite 200, Raleigh, NC 27601, [kswanson@johnlocke.org](mailto:kswanson@johnlocke.org).

## Short Takes on Culture

## Scrub In for 'Anatomy'

• "Grey's Anatomy"  
10 p.m. Sundays, ABC

By JON HAM  
Publisher

RALEIGH  
Finally there's a doctor drama worth watching. "Grey's Anatomy," a new ABC series helped along by its time slot behind "Desperate Housewives," features 1980s teen movie veteran Patrick Dempsey and Ellen Pompeo, a Renee Zellweger look-alike, in the leading roles.

Judging from the first two episodes, this show has none of the self-importance and moralizing of "E.R." and "Chicago Hope," and has a cast second in appeal only to the doctors on "Scrubs," which is the best-written show on television right now.

The story centers around a group of surgical interns at a Seattle hospital. There is the typical diversity required in group dramas: the ambitious, self-confident macho hunk; the diffident dork; the feisty minority; the sensitive one; and, of course, the first among equals, meaning Meredith Grey (Pompeo), daughter of a legendary surgeon mom and the show's namesake.

The first show featured the interns' initial 48-hour shift. (Why does the medical profession think this SEAL-like training prepares interns or instills confidence in patients?) They treat patients in between naps and jockey for a chance to "scrub up" and assist in any surgical procedure.

The most aggressive intern is Sandra Oh, most recently acclaimed for her roles in *Sideways* and *Under the Tuscan Sun*. She, more than the others, wants to put a scalpel in her hands and cut some flesh. Humorless, she bristles when one co-worker asks her to help with a non-English speaking Chinese patient. "I'm Korean," she says. In each episode so far Oh's character teeters on the brink of unlikability, but the script has reeled her in with an act of compassion each time.

All this sounds pretty formulaic, but the characters and the understated and unsentimental approach to the life-and-death situations set it above the typical hospital drama. This group of young docs seems real, not soap-opera annoying like the characters in "E.R."

"Grey's Anatomy" has taken the Sunday, 10 p.m. time slot of "Boston Legal" for the remainder of this season and will keep that slot for next season, ABC execs say.

## Harmonious Rhapsody

• Rhapsody Digital Music Service  
www.rhapsody.com  
Windows PC required

By JEFF TAYLOR  
Contributing Editor

CHARLOTTE  
In conversation I've had several friends and acquaintances mourn the loss of good popular music. There just isn't anything worth a hoot out there, they lament. That's the cue to tell them about Rhapsody.

RealNetworks' subscription-based Internet music service is a boon to music lovers who actually like to find new music, although if you want nothing but tracks from your lost youth, you can do that too.

That's the beauty of Rhapsody, the experience is totally user defined. Feel like nothing but live John Coltrane tracks on a Sunday morning? No problem. Wonder if that new band that Willie Nelson has praised is really up your alley? Pull up Los Lonely Boys' new live album and prepare to be hit with some tasty, refined "Texican rock n roll."

For \$10 a month, or just about half what a new CD full of tunes you may or may not like would run you, you get access to Rhapsody's huge and growing streaming music database. There might be holes in Rhapsody's selection, but if a confirmed musical omnivore like me has not found any, I'm hard-pressed to imagine what they might be. All I know is I've set out to create playlists for events ranging from weddings to the Super Bowl to St. Paddy's Day to Cinco de Mayo and have never lacked for tracks.

Did I mention playlists? This is the personalized part of Rhapsody, allowing you to create and share and save your own inspired collection of tracks to suit your every mood. You can also program radio stations by selecting artists, or tune into Rhapsody's own excellent and eclectic station line-up.

You need a broadband connection for Rhapsody to work, and although you can burn tracks to a CD for a small additional charge, that is really not Rhapsody's forte. It truly is a customizable jukebox that you rent for your PC.

Better still, if you have a home network Rhapsody can supply the backbone for whole-house music. You decide.

Free-trial test drives available at <http://www.listen.com>. CJ

## Book Review

## Fidel: A Tyrant Hollywood Loves But Fontova Gives Us True Story

• Humberto Fontova: *Fidel: Hollywood's Favorite Tyrant*; Regency Publishing, Inc.; 2005; 256pp; \$27.95.

By MELISSA MITCHELL  
Contributing Editor

RALEIGH  
In the spring of 2000, while taking a photography class at a local college, I attended an exhibit featuring photographs of present-day Cuba. The sepia-toned photographs were eerily reminiscent of 1930 Depression-era photos. While viewing the exhibit, a guide asked what I thought about the content of the photographs. I replied, "I was thinking about how Fidel Castro and communism have impoverished the people of Cuba." The guide loudly admonished and informed me that the poverty in the photos was the fault of the U.S. embargo, President Ronald Reagan, the fall of communism, and Americans who support the embargo. The guide told the viewers that the poverty had occurred after the fall of communism, but despite U.S. policies against Cuba, Fidel Castro provides some of the best health-care and educational systems in the world.

Common sense told me that the poverty shown in the photographs had not occurred in a period of 10 years, but like the other students, I left wondering whether the United States was contributing to the misery presented in those photographs.

In his book, *Fidel: Hollywood's Favorite Tyrant*, Humberto Fontova, a native Cuban, debunks myths perpetuated by Hollywood, the national media, and individuals like my guide. To explain these ideas, Fontova takes a historic look at Castro's life and at Cuba before and after Castro. Fontova is not an apologist for Batista, but he does provide a multitude of examples of how Cuba was better off under Batista. Cuba had one of the highest per-capita incomes in the world in 1952, Fontova says. The people were healthy and well-educated. That's a sharp contrast to today's Cuba.

Fontova starts his book by telling about Castro's massive terrorist plot to blow up thousands of New York shoppers the day after Thanksgiving in 1962, pointing out that had this attack succeeded, it would have made Sept. 11 the second-largest terrorist attack in the United States. Fontova gives many ex-

amples of Castro's hatred of the United States and the ongoing threats against U.S. citizens.

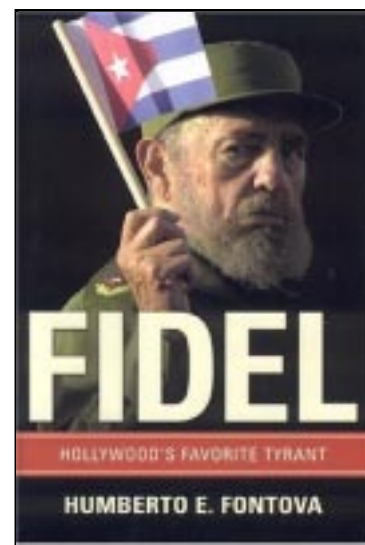
So, how has Castro become the darling of Hollywood and the news media? "Like Hitler, (Castro's hero) Castro does not converse. He preaches and blusters, treating every utterance as revealed religion from on high," Fontova says. Mesmerized they totally ignore factual information. They dismiss the Miami Cuban-Americans as Batista's followers who left Cuba with millions in assets, ignoring that most were blue-collar workers who left with just the clothes on their backs.

Fontova points out that it is not just Hollywood and the media that have been duped by Castro, but every U.S. President from Dwight Eisenhower to Bill Clinton. Some, like Ike, Richard Nixon, and Reagan were not fooled for long.

Black leaders seem oblivious to the plight of black Cubans, where 80 percent of the prison population is black, the government is 100 percent white, and the ritzy hotels are segregated. Eleanor Clift, who thinks that "to be a poor kid in Cuba is better than a poor kid in the U.S.," needs to read Fontova's documented account of Cuba's child sex trade and the children who attend school in the morning and are child laborers in the afternoon.

The book revisits the Bay of Pigs debacle and tells the story of the heroic efforts of the freedom fighters. His account places the blame for Cuba's present-day predicament squarely at President John Kennedy's door, not Reagan's. Had JFK provided the help that the Cuban freedom fighters were promised, Cuba today might not be a poverty-stricken communist nation. As for the embargo, Fontova points out that Castro is a "deadbeat" and has always been. Castro owes numerous nations huge debts, including the former Soviet Union. Many nations who are free to trade with Cuba refuse to do so.

Fontova does not just tell hearsay stories. He presents documented information about Che Guevara, the Bay of Pigs, the Cuban Missile Crisis, and Elian Gonzalez. Fontova is an author who addresses the myths of left-leaning Hollywood and the national media and asks what every American should ask: Why do they support and honor a murdering Communist? CJ





## Book Review

## Washington's Crossing: A New Look at America's Founding

• David Hackett Fischer, *Washington's Crossing*, Oxford: Oxford University Press, 2004, 564 pages.

By JOHN HOOD  
President

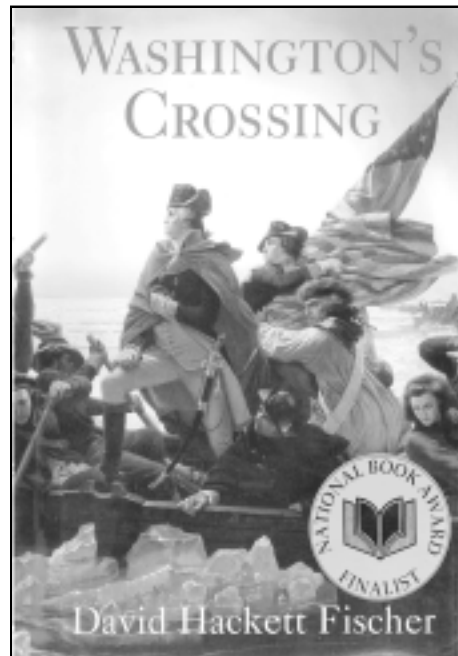
DAVID Hackett Fischer is a first-rate historian. Readers of the Brandeis University professor's previous works — such as *Paul Revere's Ride* and the indispensable *Albion's Seed* — already knew that before the arrival of his path-breaking 2004 work *Washington's Crossing*. But now a broader audience is likely to discover the delights of reading and cogitating on Fischer's insights. *Washington's Crossing*, a National Book Award finalist, has just earned Fischer a Pulitzer Prize.

The award is richly deserved. As the title suggests, *Washington's Crossing* discusses that famous episode in late 1776 when the Continental Army crossed the Delaware River from Pennsylvania into New Jersey, attacked and defeated a Hessian force at Trenton, and then a week later defeated a British force outside the town of Princeton.

But it is about far more than that. For one thing, you might think you know how the battle of Trenton occurred, but unless you've read this book you probably don't. Contrary to myth — and the frequent assertions of previous, biased historians — the battle of Trenton was not simply a happy accident. The Americans didn't win because of Hessian drunkenness or the fact that it was Christmas. Nor was it an isolated incident, or just a symbolic poke in Britain's eye.

Instead, the weeks-long winter campaign that began with the crossing of an icebound river, success at two battles of Trenton, and the audacious attack at Princeton became a guerrilla war that badly bloodied the British forces and probably saved the American Revolution from being nipped in the bud. Fischer ably describes the qualities that made Washington such an exceptional leader in difficult circumstances. What's more welcome, in my judgment, is how Fischer rescues the reputations of the commanders on the other side, including the Howe brothers and the Hessian officers who were (unfairly) blamed for the adverse outcomes.

Fischer puts these personalities and events in a useful context. He reveals the critical role of military intelligence in the conduct of the war, including how bad intelligence hurt the Americans in New York and how the good kind helped them in New Jersey. And he explains well what the British strat-



egy was in the early months of the war. It was fashioned largely by British Whigs sympathetic to the American cause, such as the Howes and Lord Cornwallis, and was intended to awe the colonials with overwhelming military might while avoiding excessive casualties that might block the reconciliation they sought.

This is critically important, it seems



Emmanuel Leutze's painting of Washington's crossing

to me. The British generals made a number of mistakes that Washington was nimble enough to capitalize on, but I think that their basic perception of the military problem in America was spot-on. That is, without the commitment of an impossibly massive number of British and mercenary troops to the war — the expeditionary force that was sent qualified as one of the largest British deployments in history up to that time — it was going to be impossible to conquer and rule the unruly American colonies.

The best plan was to break the back of the Continental Army while simultaneously assisting Tories in seizing control of colonial governments and offering conciliatory gestures towards moderate revolutionaries and the rather large block of Americans who didn't really feel much of an allegiance to either side in the initial conflict.

That this strategy fell short is not primarily due to British or Hessian error but due to the resilience of the colonial army, the leadership of Washington, and the key role that noncombatants such as financier Robert Morris and essayist Thomas Paine played in rallying people to the cause and inspiring volunteers to join or remain with the army during its darkest hour. The results were clear: The British started out in August 1776 with about 25,000 effective troops ready for duty in the theater. By Jan. 8, just five months later, he had only 14,000 effective troops. Guerrilla activity in the next three months would take that number still lower.

*Washington's Crossing* is one of those literary gems that you enjoy from the first page. Fischer makes the good decision to begin his introduction not with a discussion of military history but instead with the history of that famous 1850 painting by Emmanuel Leutze, *Washington Crossing the Delaware*. Plenty of smart-alecks have ridiculed the painting as unrealistic hagiography. Fischer reveals that the painting is more accurate than critics admit — for example,

Washington probably did stand up in the swaying boat, rather than sitting down in what would have been icy water within it — and that the work was meant to symbolize the nature of the struggle for American Independence.

The soldiers in the boat exemplify the wide span of America: There are farmers from Pennsylvania and New Jersey, backwoodsmen from the west, a seaport merchant, a black seaman from New England, a rower that appears to be a woman, plus an older leader (Washington) and a younger, future leader (James Monroe).

Washington "holds a brass telescope and wears a heavy saber, symbolic of a statesman's vision and a soldier's strength," Fischer writes. "The artist invites us to see each of these soldiers as an individual, but he also reminds us that they are all in the same boat, working desperately together against the wind and current. [The artist] has given them a common sense of mission, and in the stormy sky above he has painted a bright prophetic star, shining through a veil of cloud."

Good stuff. Great book.

CJ



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

A weekly, one-hour newsmagazine, **Carolina Journal Radio** is hosted by John Hood and features a diverse mix of guests and topics. The program is currently broadcast on 18 commercial stations — from the mountains to the coast. The Carolina Journal Radio Network includes these fine affiliates:

Albemarle/Concord	WSPC	AM 1010	Saturdays 11am
Asheville	WZNN	AM 1350	Saturdays 1pm
Boone/Lenoir/Hickory	WXIT	AM 1200	Sundays 12pm
Burlington	WBAG	AM 1150	Saturdays 9 am
Chapel Hill	WCHL	AM 1360	Saturdays 5pm
Elizabeth City	WGAI	AM 560	Saturdays 6am
Fayetteville	WFNC	AM 640	Saturdays 1pm
Gastonia/Charlotte	WZRH	AM 960	Saturdays 1pm
Goldsboro	WGBR	AM 1150	Saturdays 12pm
Greenville/Washington	WDLX	AM 930	Saturdays 10am
Hendersonville	WHKP	AM 1450	Sundays 5pm
Jacksonville	WJNC	AM 1240	Sundays 7pm
Lumberton	WFNC	FM 102.3	Saturdays 1pm
Newport/New Bern	WTKF	FM 107.3	Sundays 7pm
Salisbury	WSTP	AM 1490	Saturdays 11am
Southern Pines	WEEB	AM 990	Wed. 8am
Whiteville	WTXY	AM 1540	Tuesdays 10am
Wilmington	WAAV	AM 980	Saturdays 1pm

For more information, visit [www.CarolinaJournal.com/CJRadio](http://www.CarolinaJournal.com/CJRadio)



## Commentary

## Pharmacy Owners Have Rights, Too

The conflict between pharmacists who refuse to fill prescriptions that violate their conscience, and customers who face difficulty in obtaining certain medications, has largely overlooked the rights of pharmacy owners.

Some states are considering laws that would protect the rights of individual pharmacists who don't want to fill prescriptions for morning-after birth control pills or other contraception. A few other states are considering legislation that would force all pharmacists to issue all medications, regardless of their beliefs. Both proposals are misguided.

Missing from the debate, which includes complaints about moralizing druggists and pleas for the rights of contraceptive consumers, is the freedom of stores such as Walgreens and CVS to conduct their businesses as they see fit. Why should a pharmacy owner who wants to sell a product be restricted from doing so, or lose certain sales, because of his employees' beliefs? Why should a drugstore have to send business to a nearby competitor because its own pharmacist refuses to sell certain products? Why should the business have to pay an extra pharmacist to handle prescriptions that another won't fill because of his principles?

The answer is, they shouldn't. Business owners ought to be allowed to sell legal products without the burden of accommodating employees' beliefs about the morality behind the usage of those products.

Pharmacy owners shouldn't be forced to hire people who won't dispense the whole line of products they carry.

If compelled to do so, what would be next? Will businesses have to hire cashiers who refuse to sell condoms unless a marriage license is shown? Will proprietors need to employ clerks who refuse to sell cigarettes because of the health-care burden that smoking-related diseases place on society? Will restaurants be required to hire waitresses who don't want to serve alcohol to patrons?

Many years ago I sought a part-time retail job to supplement my main

income, and was offered a position with a large bookstore chain. Then I realized that their stores sold pornographic magazines, which would have violated my conscience had I been at the register for those sales.

I didn't demand that the store allow me an exception from selling the porn, although I did ask the manager if she planned to continue selling it. She said "yes," so I turned down the job. Eventually I found something else.

This proves that the government solution to this problem is to "butt out." The market is perfectly capable of correcting the problem.

Of course, the outcry will be that Chris-

tian pharmacists of good conscience won't be able to find work without government protection for their beliefs. But this is not a discrimination issue, as some in the evangelical and conservative movements might like to portray it. No one is entitled to a job if they refuse to carry out the full duties, if legal, prescribed by an employer.

The remedies for such pharmacists, of course, are to either find a drugstore that adheres to their principles, or to start such a store themselves. If there are so many like-

minded druggists, I'm sure there will be plenty of investors — not to mention the likelihood of plentiful faithful customers. I know a number of Christians who avoid buying gas at cer-

tain convenience stores that sell pornography; I imagine they would also patronize pharmacies whose reputation is staked on not selling certain pharmaceuticals.

Consider S. Truett Cathy, as one exemplary businessman, whose Chick-fil-A restaurant business has thrived despite his determination to keep his businesses closed on Sundays.

As for you legally licensed drug dealers, you have options other than demanding that government restrict liberties.

Dispense with your freedom of conscience, and assert your right to choose an employer who thinks like you. *CJ*



Paul Chesser

*But this is not a discrimination issue, as some in the evangelical and conservative movements might like to portray it.*



## Editorials

## FREEDOM, AT LONG LAST

*Taxpayers finally finish working for government—this year*

One of Americans' most-rewarding days arrived April 17. That was Tax Freedom Day — when taxpayers stopped working for government — Uncle Sam, the state, and localities. That's right, it took each of us almost one-third of 2005 to pay taxes, according to the Tax Foundation of Washington, D.C., which releases its Special Report in April every year.

Tax Freedom Day this year arrived later than it did last year. Americans labored for government a total of 107 days in 2004, compared to 105 days in 2003. Without President Bush's tax cuts to mitigate the damage, Tax Freedom Day would have arrived even later. Delaying our freedom this year was income and tax-bracket creep, caused by the progressive nature of the nation's and states' income taxes.

On a state-to-state comparison, North Carolinians actually gained their freedom a little earlier than their counterparts, on April 12. Among other states in the Southeast, North Carolina ranked fourth (tied with Arkansas), behind Virginia, April 16; Florida, April 15; and Georgia, April 13. Other Southern states that celebrated their freedom earlier were Alabama, April 4; Tennessee, April 6; Mississippi, April 7; Louisiana, April 8; and South Carolina, April 9. Still, North Carolina's citizens had to work two days longer than they did in 2004 to pay all their taxes. The worst year was 2000, when the hangover from the excesses of President Bill Clinton's administration set back Tax Freedom Day until April 25.

Nationally, North Carolina's total tax burden — including federal, state, and local taxes — ranked 31st among states. Using only state and local taxes,

North Carolina ranked 28th among all states. That means we worked 37 days to pay our state and local taxes. In the Southeast, that left North Carolina tied for third with Mississippi. Arkansas ranked the highest at 39 days, followed by Louisiana, 38 days. The other states were South Carolina, Georgia, and Virginia, 36 days; Florida, 34 days; Alabama, 32 days; and Tennessee, 31 days.

What we pay ourselves looks small indeed when we consider how big a share Big Brother grabs from our income. In 2005 "Americans will work longer to pay for government than they will for food, clothing, and medical combined (96 days). This has not always been the case. In fact, only in the last decade have taxes exceeded spending on these basic necessities. In fact, Americans will work longer to afford federal taxes alone (70 days) than they will to afford housing costs (65 days)," the Tax Foundation says.

Income taxes, 38 days, and social-insurance taxes, 30 days, by far take the biggest bites out of Americans' wallets. Other taxes computed by the foundation were sales and excise taxes, 16 days; property taxes, 11 days; corporate income taxes, nine days; and other taxes, three days.

Before the 20th century the United States traditionally had been a low-tax country. In the early 1900s, taxes accounted for 5.9 percent of income, and the nation celebrated Tax Freedom Day on Jan. 22. There have been cyclical ebbs and flows since then, with the most dramatic increases coming during President Franklin Roosevelt's New Deal era and after wartime. Since then, Americans have had to wait until mid-April to celebrate their independence from big government. And no end is in sight. *CJ*

*Before the 20th century the U.S. had been a low-tax country. In the early 1900s, taxes accounted for 5.9 percent of income.*

# SHARING JUNK SCIENCE

*Misguided AP report on global warming and shareholders*

**N**ow this is a spectacularly bad idea. According to a slavishly credulous report from the Associated Press, a "coalition of environmentally oriented shareholders" issued a demand that many American power utilities, including Progress Energy/CP&L in North Carolina, produce reports that quantify the cost of complying with potential regulations to combat global warming.

At first glance, it might seem reasonable, even prudent, for major companies to provide such information to their shareholders. After all, there is a risk that politicians will react to pressure and propaganda and enact some pointless "carbon tax" or emissions caps similar to those specified in the Kyoto Protocol. Given this risk — which is political rather than environmental, by the way, more akin to the risk of tax increases than the risk of flooding — don't shareholders deserve some sense of how much the damage might be?

The problem is that this "coalition of environmentally oriented shareholders" isn't at all interested in assisting shareholders in this manner. Since the compliance costs are likely to be quite high, it would be strongly in most investors' interest to insist that companies whose shares or bonds they own lobby against global-warming regulations or even work to elect sensible lawmakers who will let science rather than left-wing ideology guide their decisions. But that's not the case.

Clearly the activists' (Ceres') publicity stunt about informing investors of global-warming risks is designed to advance the regulations. Ceres is under

the impression that there is a consensus among climate scientists in favor of the notion of disastrous human-induced warming, which is false. We suspect many of them are also under the impression that such regulations would advance their anticapitalism, antigrowth agenda, which is true.

The best way to inform investors on this issue would be to provide them with a balanced perspective on global warming: what the climate trends at various altitudes actually show, what fossils and geological records suggest, and how effectively the current climate models predict past weather (that is to say, not very, so why assume they can predict the future?) We're all for doing that. We suspect Ceres and other like-minded groups are not.

As the AP dutifully reported, they claim that "a large majority of scientists" agree with the need for immediate, costly action to head off human-induced warming. That's misleading and irrelevant. It's misleading because such surveys include many scientists with little expertise in the field. It's irrelevant because the worth of a scientific theory is not determined by the results of an unscientific survey of practitioners. It is determined by explanatory power, which this theory does not have.

There are real economic and environmental issues for both the private sector and public officials to address. If rational priorities were being set, folks wouldn't be talking about the inevitability of state-imposed caps on emissions of carbon dioxide (which is not a pollutant).

But they aren't, so they are. *CJ*

# QUESTIONABLE GRADUATION

*High school students don't learn the basics, survey says*

**N**orth Carolina's high-school graduation rate is famously low — and notoriously misrepresented by state officials — but policymakers still shouldn't obsess too much about it.

This isn't to say that the graduation rate isn't troubling. With a third or more of ninth-graders failing to finish their high-school educations, there is obviously a need for efforts at dropout prevention, for better performance in elementary and middle school to keep students from falling too far behind their peers, and for more alternatives and choices for students who don't see their government-assigned high-school settings as relevant or welcoming. But the reason not to focus all our attention on high-school completion is that there is no guarantee that graduates from public high schools are truly prepared for

higher education or the world of work.

Neal McClusky, a policy analyst for the Cato Institute, provided an interesting national take on the problem in a recent *School Reform News* piece. He reported the findings of new surveys of employers, college professors, and high-school graduates themselves:

"[Professors] estimated half of all students who arrive at their schools are inadequately prepared for college-level math and college-level writing. In addition, large percentages of instructors felt the public high schools are failing to adequately develop students' abilities to do such things as 'read and comprehend complex materials' (70 percent), 'think analytically' (66 percent), and 'do research' (59 percent).

"We do them no favors when we hand out diplomas that signify little of educational significance." *CJ*

## Commentary

## The Predictive Power of Partisanship

**A**s House Speaker Jim Black and Senate leader Marc Basnight continue to draw fire for their politicized management of \$20 million in discretionary funds, I've noticed a curious dynamic within Raleigh political circles. Supporters of the two prominent Democrats are defending their misuse of taxpayer money by ascribing baldly partisan motives to their critics — while simultaneously pointing to the pork-barrel spending of Republicans, including former House Speaker Harold Brubaker, as if it were exculpatory evidence.

That's silly. The critics of Black and Basnight run the political and ideological gamut, from fiscally conservative skinflints like me to left-leaning spending lobbies and the editorial writers of the state's major metropolitan newspapers, which are virtually all left of center politically and usually more favorable to Democratic officeholders than Republican ones.

Moreover, these critics have typically included former House Co-Speaker Richard Morgan and other Republican lawmakers in their list of misbehaving lawmakers — just as, in the past, they criticized Brubaker for operating similarly slushy funds in the 1990s. The integrity of the budget process is not a partisan issue, despite the efforts of a few partisans on each side to make it so.

It's worth observing that, more generally, partisanship is not a flawless guide for predicting political rhetoric or action. Right now in North Carolina, several high-profile debates — about a proposed government lottery, tighter lobbying laws, and a death-penalty moratorium — feature coalitions on each side that bridge partisan and ideological gaps.

Other evidence also underscores the limits of partisanship as a tool of prediction. For example, Cato Institute trade-policy analyst Dan Griswold just released a report card on how members of the 108<sup>th</sup> Congress voted on legislation to reduce trade barriers and subsidies around the world.

A hundred years ago, the Democrats were the party of free trade while Republicans advocated protectionism. During the 20<sup>th</sup> century, those clear partisan identifications dissolved into blurriness. At the national level, Republican candidates became the most likely to advocate free trade and extol the virtues of international markets, while Democrats, allied closely to or-

ganized labor, became protectionists.

But this hasn't been a hard-and-fast rule. A number of Republicans, representing areas where traditional industries were struggling to compete with foreign producers, voted essentially as protectionists. On the other hand, a healthy swath of Democrats, representing areas with strong export industries or urban areas where consumer interests trumped those of manufacturers, stuck fairly reliably to a free-trade line. Indeed, just after raising federal taxes in 1993, Democratic President Bill Clinton and his Vice President Al Gore effectively cut the tax burden significantly by helping to push through several free-trade agreements through Congress, with bipartisan support.

Griswold's report card on trade for 2003 and 2004 does show some partisan affinities. Of the 25 House members ranked as "free traders" — opposing both trade barriers and trade subsidies — only three were Democrats. Of the 16 members ranked as "interventionists" — favoring both barriers and subsidies — only five were Republicans. But most members of both parties were ranked in the middle.

More importantly for our purposes, three of the five GOP members at the bottom of Griswold's ranking were from North Carolina: Rep. Walter Jones from the east, Rep. Robin Hayes from the Piedmont, and Rep. Charles Taylor from the west. Indeed, while GOP Rep. Sue Myrick of Charlotte ranked highest among the N.C. delegation — she was one of the 25 "free traders" in the House — the North Carolinians with the next-highest ranking of "internationalists" were all Democrats, including Bobby Etheridge from the east, David Price from the Triangle, and Mel Watt from Charlotte.

A separate report published by Cato showed that while Republican governors were more fiscally responsible than Democrats in recent years, the dividing lines weren't precise.

While partisanship does provide some useful information to voters — and arguably more than it used to as Northeastern moderate Republicans became Independents or Democrats and Southern conservative Democrats joined the GOP — it does not frame all political discourse.

Some actions are right and some actions are wrong, regardless of which letter, in parenthesis, follows the name of the actor in question. *CJ*



John Hood

## Editorial Briefs

## Drug shortages growing

The United States has a growing problem of drug shortages, forcing some medical centers to seek drugs from outside the country, reports Amy Dockser Marcus of the *Wall Street Journal*. The Food and Drug Administration has 10 drugs on its list of medically necessary products for which the supply is inadequate to meet current or projected demand. The American Society of Health-System Pharmacists included 66 products on its lists of shortages for the first half of last year, the latest period for which data are available; in all of 2002, there were 73 drugs on the list, and in 2003, 119.

Erin R. Fox, a drug-information specialist at the University of Utah Hospitals and Clinic, said there are a number of reasons for the shortages:

- Complex FDA regulations that are costly to meet.
- Problems in manufacturing that prolong the production process, as well as difficulties arising from out-of-date equipment or a lack of materials.
- Recent economic pressures has forced many hospitals to reduce their inventories, thus restricting their ability to respond to shortages.
- There is a lack of communication between pharmacies and manufacturers; often, pharmacies get no warning of a problem since manufacturers don't want to share information about supply problems for competitive reasons.

For example, currently there is a shortage of the childhood cancer drug methotrexate, which is used to treat the 4,500 U.S. children with leukemia, osteosarcoma, and non-Hodgkin's lymphoma. Many cancer centers now require doctors to notify them before starting chemotherapy so they can first see if there is enough methotrexate available to finish the treatment. Some hospitals are being forced to hunt for the drug in places as far away as New Zealand.

## Leftists' dirty tricks against companies

In *Biz-War and the Out-of-Power Elites: The Progressive-Left Attack on the Corporation*, Jarol Manheim, a professor of media and public affairs at George Washington University, tells us why and how the left has adopted what he calls "anti-corporate" campaigns to demonize particular businesses in order to get them to adopt its agenda.

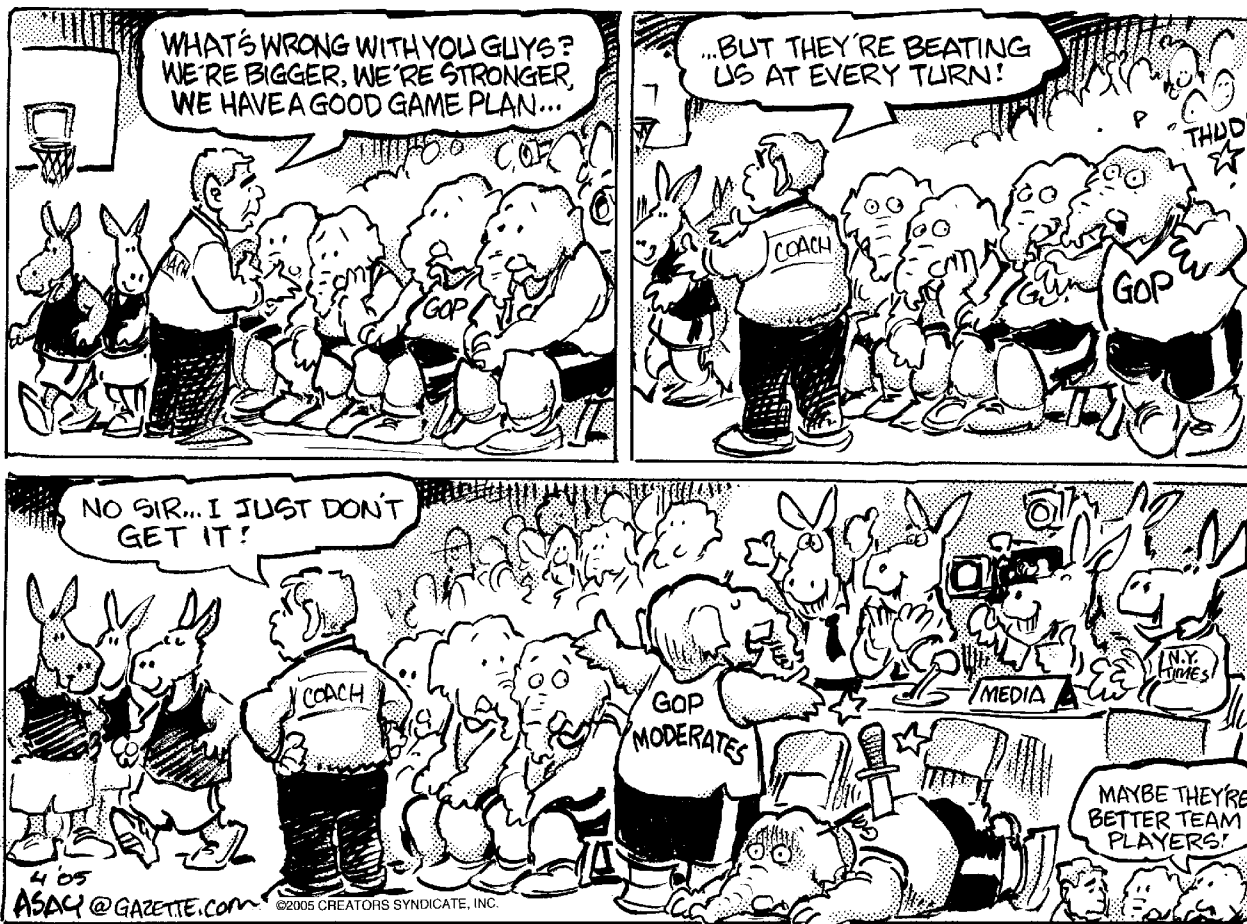
Since the early 1980s, when President Ronald Reagan and his revolutionary conservative agenda rose to prominence, liberals have organized a counter-movement through activist charities. These groups target the environment, unions, and "social responsibility," Manheim said.

Rather than engage in a direct debate, the activists' groups seek indirect methods to bring about social change. Some of these groups push for codes of conduct by companies and industries, realizing that the impossibly high standards set by such codes will be difficult to meet, thus setting up the targeted companies to be attacked for "bad faith."

These groups spread rumors, file lawsuits, make complaints to regulators and mount shareholder proxy campaigns; one group, Institutional Shareholder Services, gives "independent" advice to institutional investor managers on how to vote their proxies, without disclosing that it may have been involved in stirring up the proxy issue in the first place.

Reported in the *Washington Times*.

CJ



## Bootleggers, Baptists, Clean Smokestacks

By DR. ROY CORDATO

Contributing Editor

RALEIGH

Throughout the year-and-a-half that North Carolina's Clean Smokestacks Bill was being crafted and voted on in 2001 and 2002, a strange alliance of environmental groups and the alleged-to-be polluting utility companies, worked together to support the legislation.

Unlikely as this may seem at first glance, it is not uncommon. Clemson economics professor Bruce Yandle explains it with his "bootleggers and Baptists theory." In the classic case, Baptists favor restrictions on the sale of alcohol because they are morally opposed to drinking. Bootleggers favor these same laws because the more restrictions, the better their business and the higher their profits.

The Baptists in the case of the Clean Smokestacks Bill were environmental advocacy groups spearheaded by Environmental Defense, that authored the plan on which the legislation was based. ED and others visibly promoted the bill and, of course, their motives were considered as pure as a fresh winter snow falling through soot-free air. After all, the bill was about protecting the sensitive lungs of children and restoring "visibility" to North Carolina's mountains. Despite that these claims could not be supported, environmentalists' motives, like the Baptists in Yandle's theory, were considered beyond reproach.

Then there were the bootleggers, North Carolina's two largest electric utility companies and owners of 14 coal-fired power plants. The passage of the Clean Smokestacks Bill forced the companies to retrofit their plants with more than \$2 billion in emission-abatement equipment. Why did they support the bill?

In an email from Duke Power's George Everett, vice president for environmental and public policy, to N.C. Division of Air Quality Director Alan Klimek, quoted in a recent series of stories by reporter Paul

Chesser of *Carolina Journal*, it was stated that Duke did "not know of any data to assess the improvements in air quality as a result of [Smokestack's] emissions reductions." DAQ agreed with this claim. The real reason was that Duke and potentially Progress Energy (CP&L at the time), like the bootleggers, could benefit monetarily from the legislation.

When the Clean Smokestacks Bill was proposed to Gov. Mike Easley by Environmental Defense, Duke Power was being sued by the EPA for violations of the federal Clean Air Act.

This was the bottom line for the smokestacks bootleggers. The "eco-Baptists" supported legislation that would allow Duke and Progress Energy to avoid a utilities commission rate hearing, which they would face if hit with an adverse ruling from the EPA. The Clean Smokestacks Bill allowed the utilities to recover the costs from North Carolina electricity customers; without a hearing and with none of the costs absorbed by shareholders or out-of-state customers.

A now-former EPA official told *Carolina Journal* that "we set out our demands and Duke... popped up with a bill that very nearly met our demands and had a mechanism where the pollution controls would be paid for." As one Duke spokesman put it "we're happy because we got very healthy cost recovery."

Environmental regulation has had a long history of bootleggers and Baptists coalitions. The 1977 Clean Air Act benefited and was supported by the West Virginia Coal producers. The early 1990s ban on Freon benefited and was supported by the refrigerant's primary producer, Dupont Chemical. The U.N. global warming treaty was supported by and would have benefited Enron Corporation. It is no great honor for North Carolina to be upholding this unseemly tradition.

CJ

Dr. Roy Cordato is vice president for research and resident scholar at the John Locke Foundation.



Dr. Roy Cordato



# Why Would a Worker Need Protection From Union?

By **GEORGE C. LEEF**

Contributing Editor

**T**he idea behind labor unions is that they're both interested in and good at advancing the welfare of workers. But the reality is often much different. They frequently can't do much to advance the welfare of workers, and have a nasty habit of turning on those who don't want their services.

A recent case at the Thomas Built Bus plant in High Point is illustrative.

## *Sad tale of an auto worker*

Jeff Ward is an employee who did not want to be represented by the United Auto Workers. In March 2004, after the union was declared to be the exclusive bargaining representative of all the workers based on the notoriously unreliable, abuse-prone "card check" procedure, Ward sought legal assistance from the National Right to Work Legal Defense Foundation.

Lawyers of the NRWF demonstrated to the satisfaction of the National Labor Relations Board that the so-called election was completely tainted because many workers were pressured into signing cards saying that they wanted the UAW. Ward had simply stood up for his rights and was vindicated. Because of that, he's now a target.

Recently, after returning to work after some time off, Ward was shocked to find fliers in the plant that gave his phone number, address, driving directions,

and the suggestion, "Go tell him how you really feel about the union." In response to the threat, the NRWF is providing his home with 24-hour security.

At this time, it isn't known whether the UAW is behind the threatening fliers, but there's a long, nasty history of union-sponsored violence against workers who went against the wishes of union officials. It's hard to believe that the fliers were made up by an individual worker.



**George C. Leef**

## *Union had refinery worker shot*

As a shocking example of union violence, in a Texas case in the 1980s, an oil-refinery worker decided, after nine months on strike, that he had to go back to work to support his family. The union promptly unleashed a campaign of threats at him and his family. When intimidation didn't work, it hired a gunman to shoot the man as he went to his car. Luckily, surgeons were able to save his life.

With help from the NRWF, the culprits were brought to justice. A civil jury found that union officials had orchestrated the campaign of terror and attempted murder, hitting the union officials with a judgment of more than \$1 million. The case was upheld on appeal.

Unionism is built upon a foundation of compulsion and it stands to reason that people who have little regard for the life, liberty, or property of others would be drawn to it. Workers can't just join or leave labor unions as they see fit, as they can with other private organizations.

Once a union wins a representation election, un-

der federal law it becomes the exclusive representative of all the workers, indefinitely.

That, of course, is why unions try so desperately to win elections, using any tactics and promises. If they win, it means a new stream of dues money flowing into the treasury, much of it spent on high salaries for officials and political empire building.

Think about it this way: If union officials were so concerned about the welfare of workers, why would they want to threaten, harass, and even injure those who don't want their representation? A convincing answer is that the main objective is money and power. Any benefit for the ordinary worker is a secondary consideration.

Unions aren't inherently bad. Workers should have as much freedom to join them as to join any other sort of association. And unions would probably accomplish more actual good for workers if union officials couldn't take them for granted.

Businesses realize that if they don't provide good service and value for their customers, they'll go elsewhere. The discipline of competition is missing when it comes to labor unions, however. That's because the law gives them the unique privilege of representing people who don't want it.

Ward probably won't end up in the hospital because to his stand for his freedom to decline to associate with the UAW — at least as long as he receives protection. The sad lesson here is that there are Americans who have no qualms about threatening others who just want to live and work in peace. *CJ*

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

# Should North Carolinians Lead With Their Hearts or Their Heads?

By **MICHAEL L. WALDEN**

Contributing Editor

**R**ecently, a proposal was made to require North Carolina Medicaid recipients to pay \$50 every time they are admitted to a hospital. Currently, Medicaid recipients pay nothing upon going to a hospital. Opponents of the proposal argue it is unfair because Medicaid recipients are typically very low-income households, and even a modest fee of \$50 would be a burden on their resources. Supporters say that without a fee, users will place a low value on the medical services and be motivated to over-use hospital facilities.

These kinds of arguments are replayed frequently in discussions over public funding. Recent examples are college tuition, assistance for buying prescription drugs, and public transportation. Battle lines are drawn between those wanting more governmental help and those watching the budgetary bottom line. Arguments between the two sides can often become heated.

In economics, these countering positions are not new; in fact, they are expected. They're called the conflict between equity and efficiency. In more common terms, I call them the conflict between our heart and our head.

The equity, or heart, position is about compassion. We see a person living in poverty or with very

limited financial resources, and our heart says to help them. Many of us help with our time or monetary contributions to charity. Or, we willingly pay taxes to fund government programs, such as Medicaid, Food Stamps, and the earned-income tax credit, to assist these people and households.

The efficiency, or head, position is about possible negative consequences of this compassion. These consequences can come in three forms — to those funding the programs (taxpayers), for those receiving the assistance, and on those providing the assistance.



**Michael Walden**

For taxpayers, the negative consequence of funding public-assistance programs is that taxes reduce the reward earned from working. Studies find that people cut back on their work effort when taxes are taken from their income. This appears to particularly be the case when the tax revenues aren't used to fund something the taxpayer directly uses, such as a road near their home or a school for their children.

For those receiving the assistance, the concern is what such assistance does to their motivation to self-improve so that further assistance isn't needed. Of course, for some recipients, especially those who are disabled or elderly, self-sufficiency may not be an option.

But for others, assistance that is open-ended or very generous can reduce the incentive to invest in their personal capabilities.

Last, those providing the assistance, such as hospitals and physicians in the case of Medicaid, can suffer the negative consequence of overuse. When a service, such as medical care, is made to be very cheap or perhaps free to recipients of public assistance, a natural reaction is for recipients to use more of the service.

This is straightforward economics — the price goes down and use goes up. This may then put a strain on the service providers and increase the need for further public funding and higher taxes.

At times, policy makers have tried to address these consequences by putting time limits on receipt of some public help, or by directing more public funding to programs which promote self-sufficiency. But many public-assistance programs are without limits and have continued to grow in size.

The conflict between the heart and the head in public-assistance programs will likely never be resolved. Some citizens will emphasize one side while others will stress the opposite position, and conflicts will ensue.

Perhaps the best outcome is that both sides be recognized and carefully weighed and considered in policy discussions. And let's also keep the discussions civil! *CJ*

*Michael L. Walden is a William Neal Reynolds distinguished professor in the Department of Agricultural and Resource Economics at North Carolina State University and an adjunct scholar with the John Locke Foundation.*

# Banks Go South of Border to Reach New Customers

By PAUL MESSINO

Contributing Editor

RALEIGH

In 1998, N.C. Gov. Jim Hunt appointed Dr. Heriberto Martinez director of the Office of Hispanic-Latino Affairs within the Governor's Office of Community Affairs. The gesture provided the extended hand that many Latinos had been seeking from the state government throughout the Hispanic immigration boom of the 1990s. During that decade, the Hispanic community in North Carolina quadrupled, with a steady stream still snaking into the state today.

The appointed political prolocutor for the Latino community, Martinez was to become the "bridge between the Hispanic population and the governor." Under Martinez's direction, whose influence spilled into the Easley administration, the Office of Hispanic-Latino Affairs began the production of an instructional audiotope series for immigrants acclimating themselves to Carolina culture.

But, the bridge between the governor's office and the Latino community seems to be more of a seductive business promotion than a philanthropic gesture by a state-business partnership.

The office's current director, Axel Lluch, appointed in 2004, has continued with Martinez's work, stretching the creation of the audiotapes to seven. According to press releases by the governor's office, the tapes "help provide Spanish-speaking residents with the knowledge they need to succeed in a professional work environment." More than 250,000 tapes have



Will Mariachi bands be the next ploy as banks compete for Latino customers?

been distributed through BB&T branches, local churches, schools, and community groups.

Under the oversight of three groups — the governor's office, BB&T, and Panoltia, a business that offers services and products to help Hispanic immigrants — the state has been able to cover such issues as insurance, parental involvement in children's education, emergency preparedness, home and auto safety, renting and buying a home, communicating in English, and health care.

Oh, and banking.

Regardless of the topic, each tape egregiously promotes the privileges afforded to immigrants who are curious about American banking. With more charm than a stock-broking Ricky Ricardo and with more adroit lyrics than Enrique Iglesias, the tapes have a

hypnotically paternalistic message.

Self-advertised as a bank dedicated to the community, BB&T's head of the Hispanic Segment Council, Luis Lobo, said of the Hispanic community in particular: "Their income is growing and they need checking and savings accounts, loans and investment services. Our goal is to attract and retain as many of these clients as we can." When asked about the plausibility of implementing subliminal messages to achieve this end, Lobo said, "why risk using subliminal messages when we can just tell them [Latino immigrants] what to do."

In the inaugural audiotape, which focuses on driver safety and emergency response systems, there is a segment that covers the location of BB&T branches (conveniently located on the East Coast) and how to recognize the BB&T sign when Hispanic immigrants see it (the "&" sign doesn't exist in Spanish).

When it comes to health care, there's a Spanish audiotape for that, too. Episode Four explains the importance of immunization and health insurance and also reveals that BB&T ATM machines have instructions in Spanish.

Yasmin Wurts Metivier, president of Panoltia, said her company played an integral role in the creation of the tapes. Local immigrants, when asked about the effectiveness of the tapes, said the nearest BB&T is located right down the street.

Eager to compete with BB&T, will the Bank of America begin using a door-to-door Mariachi band with a more pointed message for the potential banking Latino?



Host Tom Campbell

Chris Fitzsimon

Barry Saunders

John Hood

## Watch the Most Hard-Hitting Talk Show on North Carolina Politics

Every week, hundreds of thousands of North Carolinians watch NC SPIN for a full, all-points discussion of issues important to the state. Politics. Education. Growth. Taxes. Transportation.

A recent poll showed 48% of North Carolina 'influentials' — including elected officials, lobbyists, journalists, and business leaders — watch NC SPIN, with 24% saying they watched the show 'nearly every week.' Thousands of North Carolinians also visit NCSPIN.com and get the latest political news, rumors, and gossip from its weekly newsletter "Spin Cycle."

NC SPIN has been called *'the most intelligent half-hour on North Carolina TV'* and is considered required viewing for those who play the political game in the Tar Heel State — whether they are in government, cover government, want to be in government, or want to have the ear of those in government.

If your company, trade association, or group has a message you want political or business leaders to hear, NC SPIN's statewide TV and radio networks are the place for you to be! Call Carolina Broadcasting (919/832-1416) for advertising information about TV or radio.

### THE NC SPIN TELEVISION NETWORK (Partial)

WLOS-TV	ABC Asheville	Sundays 6am
WWVB-TV	WB55 Charlotte	Sundays 11pm
WJZY-TV	UPN46 Charlotte	Sundays 6:30am
WHIG-TV	Indep. Rocky Mount	Sundays 10am, 7pm
WRAZ-TV	FOX50 Raleigh-Durham	Sundays 8:30am
WRAL-TV	CBS Raleigh-Durham	Sundays 6:30am
WILM-TV	CBS Wilmington	Sundays 11am
WXII-TV	NBC Winston-Salem	Sundays 7:30am
WRXO-TV	Independent Roxboro	Saturdays 6pm
WCTI-DT	UPN48 New Bern	Sundays 5:30pm
Cable-7	Independent Greenville	Fridays 8pm
Mountain News Network		Tuesdays 6:30pm
(WLNN Boone, WTBL Lenoir)		Saturdays 9pm
		Sundays 9:30am
		Mondays 7pm