Redistricting Commissions Aren’t ‘Silver Bullets’

Twelve states employ appointed panels but partisanship remains

By PAUL CHESSER
Associate Editor

Raleigh, NC
February 2004

Iowa’s Success: Nonpartisanship and Relocation

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

Best Way to Cut Business Taxes

Rate Reduction 55%
Targeted Credits 31%
Not Sure 14%

% of N.C. Respondents in Oct. 2000 JLFPoll

Continued as “Redistricting,” Page 3

Storm clouds have hovered over North Carolina’s Legislative Building ever since the General Assembly undertook the task of redistricting.

Iowa’s Success: Nonpartisanship and Relocation

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Iowa’s Success: Nonpartisanship and Relocation

Iowa hesitates little to pair incumbents in existing districts, and because of that, lawmakers feel free to move about the state. Leach, a 27-year veteran of the U.S. House, relocated to the 2nd District after his pairing with Nussle. The move to the Democratic-leaning district made more sense for the liberal Leach rather than his conservative counterpart. Likewise, decennial redistricting motivates several state legislators to uproot. Despite the changes in 2001, Republicans still held a 54-46 advantage in the Iowa House and a 29-21 lead in the Senate.

Even with the ever-changing districts, litigation has been avoided since the 1970s. “They’ve had no suits, and got the job done,” said Peter Watsson of the National Conference of State Legislatures.

But unlike North Carolina, in Iowa no lawmaker is forced to move from his beachfront home or mountain abode.

If the legislature doesn’t approve the first maps, the bureau gets two more cracks at it, and lawmakers are not allowed to amend those plans, either.

History of votes

The first Assembly vote on districts under the new process was in 1981, when the bureau’s third plan was adopted. The 1991 Democrat-led legislature approved the first plan presented to it, which appeared to throw elections wide open. Two years later Republicans held four of Iowa’s five seats in Congress.

In 2001, with both chambers under GOP control, the legislature overwhelmingly adopted the bureau’s second offering. The plan paired 64 incumbents in state legislative districts, and Republican Reps. Jim Nussle and Jim Leach were thrown together in the 1st Congressional District.

Iowa’s lawmakers also face strict deadlines to get new districts drawn. If the Assembly doesn’t pass one of the three bureau plans, it must draw its own plans by Sept. 1, or the state Supreme Court decides on the new districts.

The prospect of a veto by Democratic Gov. Tom Vilsack on a later plan may have motivated legislative Republicans to accept the second plan instead of taking its chances with the court.

The effect of pairing incumbents

Iowa hesitates little to pair incumbents in existing districts, and because of that, lawmakers feel free to move about the state. Leach, a 27-year veteran of the U.S. House, relocated to the 2nd District after his pairing with Nussle. The move to the Democratic-leaning district made more sense for the liberal Leach rather than his conservative counterpart.

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Continued as “Redistricting,” Page 3

Raleigh, NC
February 2004

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Redistricting Partisanship Present in Many Commission States

"In states where partisan divisions are close," Wattson said, "you’re going to have trouble whether it’s a commission or not."

Twelve states employ some form of a commission that assumes the responsibility for redistricting, according to the National Conference of State Legislatures. Every state panel is constructed differently. Some have as few as three members, such as in Arkansas, or as many as 18 members, such as in Mississippi.

While size doesn’t matter much, appointing power does. The states that assign independent mapmakers largely strive to designate an equal number of representatives of the two largest parties. But every commission requires someone to cast the winning vote, whether it is the odd-numbered final appointee, majority representation on the board, or some other designee. Those tiebreakers often cause the nonpartisan nature of the commissions to dissolve.

In fact, the purpose for many commissions has not been to prevent partisanship, but to avert or overcome deadlocks in legislatures over redistricting. "The number one thing a commission does is make sure a plan is passed, because they’re always set up with some kind of tiebreaker,” said Peter Wattson, counsel for the Minnesota state Senate, and a redistricting analyst for the National Conference of State Legislatures. "Depending on what the partisan makeup is, that determines how you break the tie." States use backup commissions

Connecticut, Illinois, Mississippi, Oklahoma, and Texas employ backup commissions in case their government leaders can’t get legislative redistricting plans passed. Both Illinois and Texas, split almost evenly between Republicans and Democrats, had to resort to their backups in 2000. In Texas, lawmakers failed to produce legislative maps by the May 28, 2001 deadline, leading to the creation of the Legislative Redistricting Board. The panel consisted of the lieutenant governor, the speaker of the House, the attorney general, the comptroller of public accounts, and the commissioner of the General Land Office — which produced a 4-to-1 Republican majority.

In November 2001 a three-judge federal panel approved the Texas board’s Senate maps and tweaked its House maps to comply with the Voting Rights Act. The U.S. Supreme Court affirmed the maps in January 2004.

A lottery in Illinois

Illinois appointed an eight-member, bipartisan backup commission after its legislature failed to produce maps. Still state-mated, a tiebreaking ninth member was added in September 2001, who was chosen by lottery. The Illinois constitution requires the secretary of state to pick a name actually out of an Abraham Lincoln stovepipe-style hat to decide who is the tiebreaker. The Democrats prevailed, and 20 days later passed maps favored to their party. Later public laws passed favorable to Republicans.

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"In states where partisan divisions are close," Wattson said, "you’re going to have trouble whether it’s a commission or not." States With Legislative Redistricting Commissions

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>5</td>
<td>Gov, 2, Senate president, 1; House speaker, 1; chief just. of sup. ct, 1</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Arizona</td>
<td>5</td>
<td>Senate maj. &amp; min. leaders, 1 each; House maj. &amp; min. leaders, 1 each; Those 5 choose a nonpartisan chair</td>
<td>Yes</td>
<td>Yes</td>
<td>No, but court appeal pending</td>
</tr>
<tr>
<td>Arkansas</td>
<td>3</td>
<td>Commission consists of governor, sec. of state, and atty. general</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Colorado</td>
<td>11</td>
<td>Senate maj. &amp; min. Idrs, 1 each; House maj. &amp; min. Idr, 1 each; Governor, 3, Judiciary, 4</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Hawaii</td>
<td>9</td>
<td>Senate maj. &amp; min. Idr, 2 each; House maj. &amp; min. Idr, 2 each; Those 5 choose the fifth (chair)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Idaho</td>
<td>6</td>
<td>Senate maj. &amp; min. Idr, 1 each; House maj. &amp; min. Idr, 1 each; GOP &amp; Dem. Party chairs, 1 each</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Missouri House: 18 Senate: 10</td>
<td>Governor selects 9 each in House, 5 each in Senate, from two lists submitted by the major political parties</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Montana</td>
<td>5</td>
<td>Senate maj. &amp; min. Idr, 1 each; House maj. &amp; min. Idr, 1 each; Those 4 choose the fifth (chair)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>New Jersey</td>
<td>10</td>
<td>GOP &amp; Dem. Party chairs, 5 each; If plan not adopted on time, chief justice of Supreme Ct. appoints 1</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ohio</td>
<td>5</td>
<td>Commission consists of governor, auditor, sec. of state, and one each from GOP &amp; Dem. parties</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>5</td>
<td>Senate maj. &amp; min. Idr, 1 each; House maj. &amp; min. Idr, 1 each; Those 4 choose the fifth (chair)</td>
<td>Yes, but not as the chair</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Washington</td>
<td>5</td>
<td>Senate maj. &amp; min. Idr, 1 each; House maj. &amp; min. Idr, 1 each; Those 4 choose a nonpartisan fifth (chair); Supreme Court chooses fifth in case of deadlock</td>
<td>No</td>
<td>No</td>
<td>Legislation made changes</td>
</tr>
</tbody>
</table>

Notes: Connecticut, Illinois, Mississippi, Oklahoma, and Texas employ “backup” commissions when their legislatures fail to meet their deadlines. Illinois’s backup commission drew maps that were approved by state and federal courts. Texas’s backup commission drew state House maps that were corrected by a federal court, and state Senate maps that were approved by federal courts. Maine and Vermont have advisory commissions.

Source: Peter Wattson, National Conference of State Legislatures

Courts correct commission maps

North Carolina’s desire to avoid seemingly endless litigation over redistricting is unlikely to be alleviated simply by having recourse to a commission. At least half of the states with such panels produced maps that were challenged in court.

New Jersey and Colorado, both someewhat evenly split between Democrats and Republicans, were scrutinized by state and federal courts. But even commission states where legislatures hold solid partisan majorities have not been able to escape the courts. Alaska, Arizona, Idaho, and Ohio, with decisive Republican advantages in the legislature, created maps that led to litigation. Alaska had to correct its House plan to pass muster with its state courts, and the Idaho Supreme Court twice rejected plans for both chambers of its legislature, before adopting its commission’s third attempt.

Not all states with redistricting commissions experienced turmoil. Hawaii, where Democrats dominate, historically has had maps approved with no conflict. Arkansas also has an overwhelmingly Democratic legislature, and only a lawsuit from the state NAACP-challenged districts drawn by its panel. It was dismissed. "I think it would help restore the confidence of the electorate," he said. "They know that they are being toyed with in the legislature."

"But would a commission eliminate randomness or partisanship? "As long as your deal¬ing, even its commission’s third attempt."

" courthouse is a good deal more complex than that," Wattson said. "You can write a bill to create a redistricting commission for North Carolina.

"I think it would help restore the confidence of the electorate," he said. "They know that they are being toyed with in the legislature." But would a commission eliminate randomness or partisanship? "As long as your dealing, even its commission’s third attempt."

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House school organization intervenes, defends family’s privacy rights

Ruling Aids Family in Social Services Dispute

By PAUL CHESSER
Associate Editor

RALEIGH
A precedent set in July by the N.C. Supreme Court, which ruled that some Department of Social Services powers, enabled a Lumberton family to win a quick resolution in a dispute with social workers.

Robeson County District Judge J. Stanley Caramnc ruled Sept. 25 that DDS workers had no grounds to demand private interviews with the children over one’s objection. Judges R. Scott Ramsey and Ramona Bevel. The judge’s decision was based at least in part on a recent state Supreme Court ruling in a case in which a homeschooling family refused to allow social workers into their home.

On Aug. 20 Robeson County DDS received a tip that the Bevels’ children were “left at home every day” and that the Bevels “allowed [their] 9-year-old juvenile to quit school and stay home with the other juvenile.” The Bevels’ children ages 5, 11, and 5, and the parents have homeschooled their children legally since January 1999.

Bad back

Mrs. Bevel’s back started to hurt on Aug. 18 this year, because of an injury she suffered in an accident in which she had to turn her vehicle to avoid a propane tank that had flipped the back of a truck. The pain was so bad that her husband took her to the Southeast Regional Medical Center in Lumberton. Despite Mrs. Bevel’s suffering, the Bevels were asked at the hospital if doctors wanted to keep her overnight for tests. They scheduled an MRI for the next morning.

“But as sometimes happens,” Bevel said, “things didn’t go as planned at the hospital.”

Mrs. Bevel ended up staying at the hospital for three days. Bevel, an assistant manager for a motorcycle dealership, stayed home with his sons the morning of Aug. 19. He then worked from 11 a.m. — a seven-minutes’ drive from home — to 7 a.m. — a seven-minutes’ drive from home — and then returned home for a 2 1/2 hour-lunch with his sons. At 1:30 p.m. he left them home again and returned to work. He said that the children are well-fed, well-dressed, and healthy. Bevel said, the children had been in and out of the house. They had been there during the morning hours, then returned home for a 2 1/2 hour-lunch with his sons. At 1:30 p.m. he left them home again and returned to work.

The workers left without interviewing the children or searching the house. By that time, Bevel said, the children had been in and out of the house. They had been there during the morning hours, then returned home for a 2 1/2 hour-lunch with his sons. At 1:30 p.m. he left them home again and returned to work.

The court ruled in Stumbo that “before any investigation is initiated, the proper inquiry that must be made by DDS is whether an investigation is mandated based upon the first… reports that show a pattern of neglect.”

Four years ago the Stumbo family, who live in Kings Mountain, was investigated by the Cleveland County DDS because the agency received a tip that alleged possible child neglect. In September 1999 two-year-old Joanie Stumbo, who had yet to get dressed one morning, chased her kitten out the front door of her home. An older sister retrieved Joanie and brought her back inside.

The Stumbos, defended by HSRLA lawyers, refused to allow DDS workers to interview their children privately, although they showed the children were healthy and ex- clained to workers what happened. A complaint alleged obstruction of an investigation by the Stumbos, and a judge and the state Court of Appeals found in favor of DDS. The N.C. Supreme Court unanimously overturned that decision in July.

Case dismissed

In his decision to dismiss the DDS complaint against the Bevels, Caramnc wrote that because “the initial screening by DDS… failed to reveal any pattern of neglect or abuse of the children” or “any failure to provide proper care, supervision, or discipline…” the Department should have con- cluded that a statutorily mandated investiga- tion was not necessary and dismissed the report.

Bevel said that it is not unusual for parents to leave 12-year-old children at home in charge of siblings. The American Red Cross even offers baby-sitting classes for youths as young as age 11. He said his two oldest boys are more mature than their three years would suggest.

“Parents know their kids more than anybody else,” he said. “We wouldn’t leave them home for an extended period where they couldn’t contact us.”
Duncan argued for gas district shortly after leaving regulatory agency

By PAUL CHESSER

North Carolina Sens. John Edwards and Elizabeth Dole supported the nominations of Judge Allison Duncan (second from right) and Judge Louise Wood Flanagan.

Bush Appointee Represented Client Before Utilities Commission

A.

North Carolina's Utilities Commission who left in 1998, a year before the end of her eight-year term, represented a newly formed gas utility before the NC Utilities Commission within months after resigning.

Duncan's early departure to join the Kilpatrick Stockton law firm raised questions about how quickly she should represent utility clients before the commission. Her representation of the gas district escaped scrutiny, by the media.

The Senate unanimously confirmed Duncan in July 2003 to the U.S. 4th Circuit Court of Appeals. She has received bipartisan praise, with both GOP Sen. Elizabeth Dole and Democrat Sen. John Edwards supporting her nomination by President Bush. She is a Republican.

Duncan leaves commission

Duncan joined Kilpatrick Stockton on May 11, 1998. Shortly after her arrival, Duncan began to meet with the Albemarle Regional Energy Authority, which was formed by five counties — Camden, Chowan, Currituck, Pasquotank, and Perquimans — and four municipalities — Elizabeth City, Edenton, Hertford, and Wintail — in northeastern North Carolina.

AREA was a natural-gas district.

Officials, both elected and appointed, from the counties and municipalities on the board. The northeastern local governments for years had been frustrated by what they believed was lackluster economic development, and blamed part of the problem on insufficient natural-gas service. North Carolina Natural Gas held the franchise rights to much of the territory because it wasn't economically viable to do so.

The willingness to expand gas pipeline networks north of the Cape Fear changed in 1998, however, when voters approved $200 million in bonds for areas with undeveloped gas service. AREA hoped it could position itself to harvest a large portion of the bond money.

But AREA’s first order of business was to persuade the Utilities Commission to receive Henderson's proposed franchise to expand service to northeast counties. NCNG came under review in July 1998 by the commission under a new state "Use It or Lose It" law, in which gas companies were required to provide service in their franchise areas within three years or lose their rights to the territories. NCNG was prepared finally to extend gas service to most of the northeastern counties if it could secure a sizable amount of the bond funds.

AREA formed at its first meeting in Elizabeth City in October 1997, that Dugan resigned her position on the commission in early April, and joined Kilpatrick Stockton the following month.

Potential conflicts of interest

News reports at the time raised the issue of Duncan's potential conflicts of interest if she represented utility clients before the commission too quickly after leaving.

An April 1, 1998, story in The News & Observer of Raleigh reported that Duncan was contemplating “what would constitute a proper hiatus” before she might begin appearing before her former colleagues on behalf of telecommunications companies or energy marketers.

"You sort of have to chart your own course," Duncan told The News & Observer. The newspaper ran an editorial four days later about Duncan’s situation and the "revolving door phenomenon."

“The state has a duty to eliminate the dilemma with laws requiring those in certain government posts to avoid dealing with agencies they represented or with related ones for a year or two," the editorial said.

The Triangle Business Journal also reported Duncan’s move and potential representation of clients before the commission.

"Our firm has been at the forefront of reshaping the telecommunications, utilities, and natural gas industries in the Southeast..." Jim Cain, Kilpatrick Stockton’s senior partner in Raleigh, told the Business Journal in an April 13, 1998 article, "Allison fits extremely well in that focus."

The Journal reported that “it’s not uncommon for commissioners to join law firms after their term ends,” but said Duncan is believed to be the first sitting utilities commissioner to make such a move.

The General Assembly has been critical in the past for passing legislation that slows down the "revolving door."

“I think that it is unreasonable to say that people in certain (government) roles might be limited in their contacts for a certain period," said Ken Broun, a professor at the University of North Carolina School of Law who teaches professional responsibility. "A year strikes me as an appropriate time."

Both The News & Observer and Triangle Business Journal noted that Duncan could possibly represent BellSouth Corp. and Enron Corp., two Kilpatrick Stockton clients, before the commission. AREA wasn’t far enough along in its development that it could be noted by the media, and Duncan’s representation of the group so soon after leaving the commission was never reported.

Working for AREA

Duncan was introduced to AREA board members at a meeting on June 15, 1998. Kilpatrick Stockton also represented gas companies Frontier Energy, El Paso Gas Company, and Enron. According to the AREA meeting minutes, Duncan informed the group that she formerly served on the Utilities Commission and that the commission "wants to see natural gas expansion occur in the state." The meeting minutes stated that “her firm” would underwrite the cost of an expanded gas study, which AREA agreed to. Duncan told CJ that it was Frontier that would undertake the study, not Kilpatrick Stockton.

On July 13, 1998 AREA informed the commission of its intent to organize as a natural-gas district. At Pasquotank County commissioners’ meeting Aug. 3, Chairman Jimmie Dixon (also chair of AREA) said the gas authority had hired Duncan to lobby the legislature.

Dixon also felt confident enough to make another claim in the August meeting. According to the minutes, Dixon said, "(AREA) has the support of the North Carolina Public Utilities Commission..." The minutes also stated that Dixon "noted that although there are other regions in the state interested in forming natural gas authorities, the Albemarle Regional Energy Authority would be the first to receive funding for expansion of natural gas." NCNG’s franchise rights hadn’t been addressed by the commission yet, AREA was in its infancy, and the bonds wouldn’t be approved until November.

In an interview this spring, commissioners Chairman Jo Anne Sanford said she didn’t know why Dixon made that claim. "We don’t foretell decisions," Sanford said. "By what he meant or said, I don’t know."

Dixon did not respond to questions about promises made to AREA, which were submitted to him in writing as he requested. Duncan did not answer questions about her role with AREA or her relationship, if any, with the commission at the time, when reached by CJ last week.

“I don’t think you have your facts straight," she said, without giving CJ the opportunity to explain the information it wanted to ask about.

“I don’t think this is productive," she added. “I don’t have any problem with my representation of AREA."

By August 1998 AREA geared up to challenge NCNG’s right to serve 17 northeast counties. The commission scheduled a public hearing in Raleigh for Oct. 27, and AREA told all its members to plan to appear at that hearing.

In early September the bill referendum had been approved for the November 1998 ballot, and Dixon and Duncan urged leaders from the northeastern local government to work for passage of the referendum. Dixon, at a Sept. 8 Pasquotank commissioners meeting, again claimed that AREA would have priority for funding in the gas bonds passed.

At an Oct. 12, 1998 meeting Duncan reported that she was trying to get the commission to move its scheduled Oct. 27 public hearing to Elizabeth City, which would produce greater representation from AREA members to speak against NCNG. She succeeded. Of the 17 individuals who testified against NCNG at the hearing, 16 represented AREA government agencies, AREA economic development agencies, or AREA itself. One of the most repeated complaints was that NCNG had the exclusive franchise for the northeast counties. Dixon did not respond to questions about the franchise passed. However, no companies sought to obtain rights to the bond money on their own, lending credence to Dixon’s claim that AREA would be first to receive bond funds.

Meanwhile, in submitted written arguments to the commission, Duncan battled NCNG lawyer Edward Finley over admissibility of testimony and requests for information.

On Dec. 7 and Dec. 8 the commission heard oral testimony about the fate of NCNG’s franchise rights to the northeast. Duncan reported to AREA in a Dec. 14 meeting that “North Carolina Natural Gas became very contentious during the hearing, and questions from the Utilities Commission were very hostile.” The minutes said Duncan “felt extremely positive about the hearing.”

At Jan. 11, 1999 AREA meeting Duncan reported that wording in the bond legislation required gas districts to be franchised to receive bond money, and noted that the $200 million bond funds were passed. However, no companies sought to obtain rights to the bond money on their own, lending credence to Dixon’s claim that AREA would be first to receive bond funds.

The gas bond referendum passed Nov. 4. On Nov. 12 AREA members and Duncan met with Giselle Rankin of the N.C. Utilities Commission Public Staff, a separate agency from the commission that would represent the public before the commission in utilities cases. The attended addressed procedures to apply for the bond money, despite the fact that NCNG’s franchise was theoretically still unresolved.

AREA also began to entertain offers from outside gas companies who were interested in services franchise rights to the northeast. Duncan reported to AREA in a Dec. 14 meeting that “North Carolina Natural Gas became very contentious during the hearing, and questions from the Utilities Commission were very hostile.” The minutes said Duncan “felt extremely positive about the hearing.”

On March 8, 1999 AREA set a deadline to receive proposals from private companies to serve the northeast, even though a March 17 the commission revoked NCNG’s franchise rights for 14 of the 17 northeast counties, including those represented by AREA.

Sanford told The News & Observer at the time, “It will be a free-for-all [for the franchise] for as far as you can see the word.” The franchise that prevented anybody else from providing gas service will no longer act as a barrier. However, no “free-for-all” materialized, as the territory was ceded to AREA by all other companies, even though the group had no expertise in the gas business.

By March 2001 AREA’s successor organization, the Albemarle Economic Development Corporation, in partnership with Carolina Power & Light, had been awarded a northeast franchise and $158.3 million of the $200 million in bond money by the commission.

It is still unclear why Duncan left the commission early and whether Kilpatrick Stockton hired her with specific client(s) in mind. CJ was unable to contact Jim Cain of the law firm after leaving phone messages, and Cain said as yet to respond to questions submitted by electronic mail.

CJ
Big Bucks Don’t Spell Success, Studies Say

Families, communities and choice are necessary elements for achievement

By KAREN PALASEK

The District of Columbia’s student population declined by 4.1 percent in the 1990s, its teachers were the seventh most highly paid in the nation, per-pupil expenditure remains at or near the top of the nation, and yet average test scores are the lowest in the United States, the authors note. North Dakota, with teacher pay ranked 50th in the nation, produced the country’s top average composite SAT score and the fifth-best average NAEP scores in the nation.

“What money cannot buy” in our public schools, the authors write, is the influence of parental choice and inter-school competition. “Parental choice has spurred parents to participate in their children’s learning. It has focussed needed resources on the low-income, unruly, and at-risk students the traditional public schools have long since abandoned or written off. It has improved standardized tests for the most disadvantaged students.”

Choice within public schools pays off, the report states. Charter schools outperform other schools among low-income and at-risk students, “those most victimized by the last two decades of demographic change.”

NC policy inputs

Drs. Michael Walden and Mark Sisak of N.C. State University studied factors that influence achievement in North Carolina schools.”

“School policy factors account at most, for 10 to 20 percent of the variation in student achievement in North Carolina.”

Demographics, pay, and parents

The findings from the dynamic, value-added model, Walden and Sisak said, “suggest student performance is heavily dominated by socioeconomic inputs and unobservable innate abilities of students.” Strongly positive socioeconomic factors include having at least one parent with a college degree. Racial factors were not significant for achievement differences.

Some policy factors such as increasing the number of pupils (without additional teachers), increasing the number of pupils identified as “gifted,” and accelerating the number of teachers with graduate degrees, had negative results. The authors conclude that since socioeconomic factors have such significant effects, scarce resources might be used to improve socioeconomic factors that influence achievement.

The ALEC report ranks North Carolina 30th in the nation on a composite of NAEP achievement measures for 1990 through 1996. The ALEC Report Card uses a 20-year history of each state’s standings on the National Assessment of Educational Progress reading and math tests, the Scholastic Assessment Test, the American College Tests, high school graduation rates, and completion of a minimum of college prep core curriculum courses in high school. By comparing academic progress to spending in a state, the Report Card generates a picture of how effective that spending has been. According to ALEC, some of the most popular policies have not returned dividends as promised. The study finds that raising teacher pay and lowering the pupil-teacher ratio overall don’t raise achievement. Average SAT scores have dropped 1.8 percent since 1972. In 1972 the average national score on the SAT was 1039. The 2002 average score was 1019, although it rose by one point to 1020 in the 2003 round. On the NAEP, the 2002 reading test showed fourth-graders improving, nationally, eighth-graders leveling off, and 12th-grade students losing ground. These results prompted the authors to say that “this disturbing pattern suggests that the longer students remain in the public school system, the worse their performance becomes.”

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Demographics, pay, and parents

The District of Columbia’s student population declined by 4.1 percent in the 1990s, its teachers were the seventh most highly paid in the nation, per-pupil expenditure remains at or near the top of the nation, and yet average test scores are the lowest in the United States, the authors note. North Dakota, with teacher pay ranked 50th in the nation, produced the country’s top average composite SAT score and the fifth-best average NAEP scores in the nation.

“What money cannot buy” in our public schools, the authors write, is the influence of parental choice and inter-school competition. “Parental choice has spurred parents to participate in their children’s learning. It has focussed needed resources on the low-income, unruly, and at-risk students the traditional public schools have long since abandoned or written off. It has improved standardized tests for the most disadvantaged students.”

Choice within public schools pays off, the report states. Charter schools outperform other schools among low-income and at-risk students, “those most victimized by the last two decades of demographic change.”

NC policy inputs

Drs. Michael Walden and Mark Sisak of N.C. State University studied factors that influence achievement in North Carolina schools. “School policy factors account at most, for 10 to 20 percent of the variation in student achievement in North Carolina.”

The findings from the dynamic, value-added model, Walden and Sisak said, “suggest student performance is heavily dominated by socioeconomic inputs and unobservable innate abilities of students.” Strongly positive socioeconomic factors include having at least one parent with a college degree. Racial factors were not significant for achievement differences.

Some policy factors such as increasing the number of pupils (without additional teachers), increasing the number of pupils identified as “gifted,” and accelerating the number of teachers with graduate degrees, had negative results. The authors conclude that since socioeconomic factors have such significant effects, scarce resources might be used to improve socioeconomic factors that influence achievement.
Education

Other education professionals have farther to go

North Carolina Nears Federal Mandate
Of ‘Highly Qualified’ Teachers in Schools

By KAREN PALASEK
Assistant Editor

The N.C. Department of Public Instruction recently released its update on federal teacher quality measures. Under the federal No Child Left Behind law, teaching professionals must meet specific criteria for their credentials. North Carolina hasn’t met its own targets for 2003-04 yet, but it has made substantial progress in some areas.

The three most critical areas for teaching personnel within the federal law are classroom teachers of core curriculum subjects, paraprofessional requirements for teachers’ aides, and requirements for meaningful professional development for teachers and other educators, including administration personnel.

The DPI released information in December that showed 83 percent of the state’s public school classes were taught by “highly qualified” teachers. In high-poverty schools, 78 percent of the classes were taught by highly qualified teachers. According to preliminary information, North Carolina is among 33 states that have an average of 80 percent or more of classes taught by highly qualified teachers. Missing the final benchmark will involve state intervention into the teacher and school personnel preparedness process.

Highly qualified teachers

No Child Left Behind places a 2005-06 deadline on reaching 100 percent coverage of core subjects with highly qualified teachers. Although the state hasn’t reached its own goal of 90 percent for the 2003-04 school year, press releases from the DPI are upbeat, and the department says results actually are higher than expected.

“We are pleased to see numbers that are this positive,” State Superintendent of Schools Mike Ward said in the press announcement. “The NCLB standards are very rigorous especially for teachers in middle and high schools. At the same time, I recognize that ‘Highly Qualified’ is not the same as highly effective.”

Unlike “adequate yearly progress,” the definition of the “highly qualified” teacher is determined by federal law. Core subjects are English, reading and language arts, math, science, foreign languages, civics and government, economics, arts, history, and geography. To demonstrate competence, new elementary teachers must take the Praxis I exam, which covers all of the basic elementary curriculum.

Because they often teach multiple subjects, the requirements for new middle and high school teachers are more rigorous. These teachers must pass a Praxis II in each subject area, or meet one of the following requirements for every core area in which they teach. They must hold an undergraduate degree in each subject, have the equivalent of a college major (in terms of credit hours), hold a graduate degree, a master’s level or above licensure in the area, or hold National Board for Professional Teaching Standards certification in each subject taught.

Experienced teachers can establish their “highly qualified” credentials using an alternative means, the North Carolina High-Objective Uniform State Standard for Evaluation (HUSEE). To do this, they must have taught full-time in a single school system, private, or charter school for a minimum of six consecutive months, and hold a valid reciprocal license.

The current timetable to reach 100 percent standard of highly qualified teachers by 2005-06 has the state at 90 percent by the end of the 2003-04 school year, and at 95 percent in 2004-05.

Teacher development and paraprofessionals

Highly qualified school personnel include more than just the classroom teacher, under No Child Left Behind. Teacher’s aides, or paraprofessionals, are under mandate to meet new standards as well. This will means that aides in Title I high-poverty schools must have completed two years of study in an education school, or undergo formal assessment in math, reading, and writing instruction. The 2003-04 goal is 55 percent, rising to 75 percent in 2004-05, and 100 percent by 2005-06. North Carolina’s current 35 percent level is significantly under the 2003-04 goal.

Professional teacher development is being revamped under the No Child Left Behind law. One-day conferences and short meetings no longer count, according to the law. The requirements specify that development be “scientifically based” and “focused on improving student academic achievement.” At 69 percent, the state is still short of the 80 percent goal for 2003-4. The state is scheduled to step up activity to reach the 90 percent mark by next year, hoping to reach the federal target of 100 percent by the 2005-06 deadline.

Unlike “adequate yearly progress” . . . the definition of the “highly qualified” teacher is determined by the federal law.

Other education professionals have farther to go
Correcting the SAT stigma

The Americans with Disabilities Act case that changed reporting methods for standardized tests was brought by Mark Breimhorst in 1969 against the Educational Testing Service.

Breimhorst was born without hands, and received permission to take the SAT with extended time. His college admissions test results, which are essentially the scores that Breimhorst received from ETS, and those that were reported to schools, were flagged as exceptions to standard test-taking practices. Lisa Fine, writing for Education Week, relates the subsequent events. Breimhorst’s applications to several business schools were rejected. He then appealed to the Educational Testing Service to remove the disclaimer from his results. ETS refused.

Breimhorst filed a lawsuit against ETS in August 1999, with the International Dyslexia Association and Californians for Disability Rights joining the legal action. The plaintiffs argued that the special notation on scores generated under non-standard conditions are “misleading information, a damaging message,” and conveyed the idea that they were obtained using an “unfair advantage,” or should be viewed with xenophobia.

Based on these claims, Breimhorst’s lawyers from the Disability Rights Advocates of Oakland argued that flagging violated the Americans with Disabilities Act, as well as section 504 of the Rehabilitation Act of 1973. That law bans discrimination based on physical or mental disability in federally funded programs.

Rather than go to trial, ETS settled the case and discontinued its “disability” flagging on SAT scores. Disability Rights Advocates gained ground when a panel of disability rights “experts” joined the College Board in a panel to study the validity of flagging on the SAT and other ETS testing programs.

The stigmatizing effect was the main drawback, DAR argued, and caused some disabled people to “come in lower than students to which they are entitled.” As a result, “the College Board dropped the flags on SAT scores,” Miriam Freedman wrote in EducationNext.

As of Oct. 1, 2003, “the College Board dropped the flags on SAT scores,” Miriam Freedman wrote in EducationNext.

As of Oct. 1, 2003, unlike state results from the National Assessment of Educational Progress, the North Carolina SAT Report 2003 makes no mention of the percentage of students taking an SAT test with accommodations. Disaggregating SAT test-takers report male, female, racial, and the usual summary statistics. Level statistics are reported on test-takers with disabilities, or on how many students receive accommodations.

Samuel Abrams, a research fellow in the Center for Basic Research in the Social Sciences, argued in “The Demand and the Supply: Special Accommodations” that since 1987, the total number of students taking the SAT has grown by 18 percent, but the number taking it with accommodations has increased by 300 percent.

Ordinarily, when the number of disabled students taking the SAT increases, average scores decline,” Abrams writes. Just the opposite has occurred with the SAT. “Verbal scores on nonstandard administration are up by about a standard deviation since 1987... But math scores are up by 4 standard deviations, a large effect,” Abrams.

In North Carolina, average yearly gains in SAT scores since 1989 have been 3.5 points, according the N.C. Department of Public Instruction. Nationally, the average annual gain was 1.3 points over the same period. SAT scores for North Carolina students topped 1000 for the first time ever in 2003.

What does the change in reporting policy mean? Abrams suggested that at least some of the students being granted accommodations were less in need of them than those getting extended or untimed tests back in 1987. Reflecting on the 300 percent increase in special accommodations, Abrams asked, “If this has been occurring with flagged scores, what will happen when the scores become unflagged? ”

“As of October 2003,” according to Freedman’s “Disabling the SAT,” “admissions officers’ ability to assess the meaning of test results and to make reasonable decisions for all students will be compromised.” Freedman reported that 79 percent of college admissions officers opposed dropping test scores.

By KAREN PALASEK

The latest changes in test reporting overall against the Board of Education meeting both approval and protest from education policy analysts and test takers. The College Board has decided to stop flagging SAT results for students who take an SAT test with special accommodations in their reports to colleges.

Disability advocates generally applauded the decision, while the gains made by the scores that appear on student transcripts, according to Miriam Freedman in EducationNext, compromises the ability of admissions officers to make informed decisions about college applicants.

The purpose of the SAT has always been twofold. It was to provide evidence of the “developed verbal and mathematical skills of students,” and to “predict, on average, how students will perform in their first year in college,” Freedman said.

The changes in SAT “flagging” policy took effect in October 2003. Writing in National Review Online, Peter Wood echoed Freedman’s sentiments. He argued in “The SAT: A Test of Political Correctness” that the asterisk is akin to a driver’s license that indicates restrictions for corrective lenses. Wood wrote: “I wore glasses when I took the eye exam for my driver’s license. In effect, I took the exam under ‘nonstandard conditions,’ and the Commonwealth of Massachusetts prudently took notice.”

Wood may risk injury and accident if able to drive with glasses! “Our SAT test-takers don’t have that choice, however, and are there really dire consequences if students who receive extra time, or take untimed SAT tests, are made indistinguishable from those who adhere to the strict time limits? ”

As of October 2003, admissions officers’ ability to assess the meaning of test results will be compromised.

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The value of speed

Freedman reported in “Disabling the SAT” that a panel study, conducted by ETS in 1998, found that extra time would not make a significant difference in SAT test scores — 10 points at most on the verbal and 20 points on the math. Student whose true performance than are the scores below 400 would gain no advantage.

Another study in 1998 allowed disabled students who had already taken the SAT under standard conditions, to retake the test with extra time. The panel reached the conclusion that the students’ improvement in scores, two to four times larger than those in the earlier 1987 study, were “more representative of their true performance than are the scores they would obtain from a standard administration.”

To date, there is no research that compares disabled and nondisabled student results when both get extra time. Psychometricians on the ETS flagging review panel were asked whether SAT scores achieved with extra time were comparable to those taken in a strict time format. As experts in testing and the comparison of test-takers, the questions. As a result, the College Board “ignored industry standards,” and “compromised its flagship product” by removing the test accommodations that flag SAT scores.

The potential costs of treating extended-time SAT scores as equivalent to standard format scores can be significant. If SATs are to remain a reasonable predictor of freshman performance in college, it is important that they do not “overpredict” college achievement. This can mean several things in the college setting, including more “unexpected” failures, pressure to inflate college grades to avoid excessive failure rates, or pressure to make accommodations for these students in their college courses as well.

According to Freedman, the College Board need not have bowed to the “disability” interests. They claimed a violation of the 1975 Rehabilitation Act in their threatened suit against ETS. Citing the 1975 Supreme Court decision in Southeastern Community College v. Davis, Freedman quoted the court as stating, “Section 504 imposes no requirement upon an educational institution to lower or to effect substantial modifications of standards to accommodate a handicapped person.”

Perhaps the recent attacks on the SAT, especially University of California President Richard Atkinson’s 2001 proposal to eliminate the SAT as a requirement for application, have made the Board warn of controversy,” Freedman’s reports suggested.

In an interesting and somewhat unexpected turn, the New York Times reported that applications for accommodation on the SAT were down 10 percent in 2003 compared to the same July through September period in 2002. The board is turning down more applications than before, and requiring that students have a diagnosis of their disability four months before testing.

Earlier changes in the SAT

The new ruling from ETS isn’t the first change in SAT policy. Significant changes have been under way since 1994. In 1994, the SAT began to emphasize critical reading, use longer reading passages, require math computation, and allow calculators.

Anonymies were removed from the test. Psychometric experts “smoothed” the results to make them consistent with earlier versions of the SAT.

Changes in 1995 “recentered” the SAT, re-establishing the average scores for each of the math and verbal portions at 500, and aligning the verbal and math scale scores to make them comparable. This was done to accommodate shifts in the demographics of test-takers. The reference scores for the SAT were established in 1941, and had not been readjusted until the 1995 revision.

The public is now being prepared for the 2005 revision of the SAT. College Board and North Carolina officials have announced that the 2005 test will write math, and verbal test items.
Beware Of ‘Trojan Horse’ Programs, Education Organizations Say

By KAREN PALASEK
Assistant Editor

Public school parents and home-schoolers alike may be wondering what to think of one of the latest ideas to hit the school-choice arena: public charter schools for home-schoolers.

Seemingly well within the growing pattern of parents for school-aged children, the charter home school is publicly funded education for parents who prefer to teach their children at home.

These schools aren’t yet a real presence in North Carolina, but there is enough evidence of how home-school charters and virtual charters operate in Alaska and California to gain some insight into their attractiveness as well as their drawbacks.

Choice, or Trojan horse?

How does the movement for choice in public education intersect the choice for home education? In California, and even more so in Alaska, state education departments have been courting home-school parents with the offer of state “support” for their educational efforts. The charter home-school and virtual charter home-school programs these states offer are the vehicles for this program.

The draw of these arrangements is that parents can “home-school” at virtually no cost to the family. Charter schools operate on taxpayer dollars. But support may come with significant strings attached, said Michael Smith, president of the Home School Legal Defense Association of Purcellville, Va. in the Home School Court Report “Charter Schools,” Smith said, “Despite all of the attractions for home-schooling, virtual charter schools are supporting home schooling in name only. Parents who enroll their children...are actually creating small public schools in their own home.”

In a recent interview with Carolina Journal, Hal Young, president of North Carolina Home Education, expressed “deep concern” about public charter and virtual charter schools for home-school families. “Certainly there is occasion to move a choice school student out of the classroom for health, family, or disciplinary reasons...However, I am concerned when these programs are targeted at home-schooling families, sometimes including financial or other material incentives,” Young said.

NCHS supports any parent-directed choice in education. “Our organization believes that is the right and duty of the parents to direct the education of their children, by whatever method seems appropriate,” including the public schools, as long as parents believe that the school meets the child’s needs. “That’s their choice,” Young said.

The appeal of home-based charter schools represents a threat to the independence of home-schooling, Young said. “The most insidious of these offerings, in my opinion, are those specifically meant to be Trojan horse programs, aimed at ‘recapturing’ — a term used by their promoters — students ‘lost’ to homeschooling.”

California

In December, a C7 editorial noted the operation of charter home-schools in Orange County, Calif. The California Home Education Program appeals to home-school families on its “Who We Are” web page by noting that “parents who wish to home school benefit from support.” Through charter and virtual charter schools, CHEP supports textbooks, lesson plans, oversight via certified teachers, testing, grading, student-teacher and parent-teacher conferences, as well as computers, Internet access, and software.

California home-schoolers have four options under the law. Parents can establish a private school at home as long as they can prove they are “capable of teaching” and meet several other requirements. They can also hire a certified tutor, run an independent public school program (such as CHEP) in their home, or run a home-based program under the direction of a private school.

Even though home-schooling is legal in California, in 2002 the Chino Valley, Galt Joint Union, and Morgan Unified school districts contacted parents who had filed the required private-school affidavits, according to the Home School Legal Defense Association. Letters addressed to “call the districts regarding the enrollment status of their children.” The districts announced that small private schools would be “visited” to make sure that they are in compliance with state laws. As a result, the California Department of Education has made programs like CHEP more attractive by threatening home-school families with interference by the state.

Alaska

Alaska has an even more extensive home-based public-school program. As early as 1997, Alaska made private, home- and correspondence school students eligible to enroll part-time in public schools.

Alaska initially offered a package to home-school parents that included texts of their choice, plus computers and Internet access in some grades.

Although Alaska has one of the best home-school laws in the nation, 75 percent of home-school families enrolled in the state’s publicly supported home-school programs. Private home-school support organizations atrophied.

Parents who enroll their children in these virtual charter schools are actually creating small public schools in their own home.

In what Young described as a “bait and switch” tactic, the Alaska Department of Education eliminated the eligibility of all religious materials, and publishers whose texts have a religious foundation. Next, education officials proposed a ban on all religion-based teaching in public-school satellite programs, even if families purchase the religious materials themselves.

In a letter to the Juneau Empire, one parent who was participating in the correspondence home-school program expressed alarm. “I am greatly concerned by the new home-school rules proposed. They seem to be designed to take our freedom of choice as home school parents away...To suggest that I may not teach my children religious-based curriculum, paid for with personal funds, meeting up with the requirements of the state of Alaska and that my choices must line up with the public school system is simply ridiculous. Why do you think I home-school?”

In 2002, Alaska required home-school students enrolled in public correspondence schools to take the statewide assessment test, and to have it monitored and graded by a state-certified teacher. Alaskan home-school students in these programs now have a mandatory conference with a certified teacher, minus parent, at least once a month. Grades are determined by a certified teacher, not the parent, curriculum must be aligned to state standards, and a certified teacher must review and approve curricular materials for each student before parents can be reimbursed by the state.

Alaska dropped the proposal to disallow all religious-based instruction, but prohibits state support for religious materials or teaching in its home-school programs. As for North Carolina, Young rebuffs the idea that homeschooling is a “protest movement.” The vast majority,” he said, “have pursued home education in search of academic benefits or the opportunity to raise their children in the framework of the parents’ religious or philosophical beliefs (of whatever type)...rendering meaningless the notion that homeschoolers are just holding out for a better package from government education.”

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See what one Raleigh paper called “Matt Drudge with Class”
By JON SANDERS
Assistant Editor

UNCW Deregounces College Republicans; Faculty Says Group Seeks to Discriminate

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UN-Chapel Hill Officials to Develop 240-Acre ‘Carolina North’ Research Park

By JON SANDERS
Assistant Editor

Raleigh

In early December, officials at the University of North Carolina at Chapel Hill unveiled its plans for “Carolina North,” a satellite research campus on the university-owned Horace Williams Drive property on the eastern edge of town. The plan calls for developing 240 acres of a 963-acre tract, which is about 1 1/2 miles north of the main campus, as a satellite campus. UNC-Chapel Hill officials envision Carolina North to comprise a mixture of corporate and university research, as well as offices and homes. In some respects it would be similar to the Centennial Campus of N.C. State University, but on a smaller scale (the Centennial Campus comprises 1,334 acres).

Unique to the UNC-Chapel Hill research park design, however, are the homes and shops. When completed, UNC-Chapel Hill officials anticipate the project will have 13,000 to 18,000 employees working in more than 1 million square feet of research and office space, and also have an estimated 1,800 homes. The estimated cost for infrastructure is about $100 million.

The plan calls for seven phases of development, which would take a half-century to complete. The first phase, which would require an estimated five to seven years to complete, would develop a mix of the anticipated uses of Carolina North. This phase would build 700,000 square feet in offices and research laboratories, 300,000 square feet in residential space, and 70,000 square feet in space for retail on the eastern side of the property. It would also develop a “quad” near the entrance of the tract in order to project a “university campus” atmosphere as well as visually tie the satellite campus in with the main campus. The quad will be patterned similarly to the one on the main campus, McCorkle Place.

The adding of laboratory, office, office, and retail space would continue in the next six phases of development. Parking lots and vehicle access points by building or extending roads would be added.

The plan hinges upon the closing of the Horace Williams Airport. At present, North Carolina legislators have mandated that the plan cannot close before Jan. 1, 2005—a mandate that came in response to an earlier attempt by UNC-Chapel Hill Chancellor James Moeser to close the airport. (The airport’s landing strip is visible in the two pictures mandated that the plan cannot close before Jan. 1, 2005— and not, as one might suppose, to be a pun for “easy.” As announced by UNC-Chapel Hill senior David Barbour in a letter to the editor of The Daily Tar Heel Oct. 28, “EC Week” is sponsored by “Choice USA” and “is geared towards raising awareness and concern about emergency contraceptives and also promoting healthy, safe sex behaviors.” Emergency contraceptives, of course, are things sought post-coitus after sex behaviors regardless of whether they were safe, and as for healthy, well... say, did you know that “EC” stands for “emergency contraceptives?”

Part of “celebrating” emergency contraceptives involved “bathopping on Franklin Street passing out condoms and dental dams to unsuspecting patrons.” In other words, to celebrate emergency contraception week, abortion advocates actively encouraged drunken students to have sex.

Now this is plain irresponsible, not to mention dangerous and foolish. Why? Because even when used properly, condoms cannot prevent AIDS, let alone other sexually transmitted infections (STI). According to Dr. Ruth Westheimer, late latex condoms can prevent the virus from entering the vagina, “condoms do break once in a while; some people are careless in removing the condom and leakage could result.”

You are using the condom properly only “if you are careful not to tear the condom when opening the package and while putting it on.” If you make sure to leave an empty reservoir tip at the end when you put it on, and if you are careful to hold the rim of the condom when you take it off so that there is no leakage, then condoms are a “very effective method of protection against pregnancy.”

That’s not exactly the kind of meticulous attention to detail one expects to find among the plowed. But even following those procedures, the thing might break, at which point, pout, the pun you’re screwed. So to pass them out under the “healthy, safe” banner is dangerously misleading. As for emergency contraceptives, of course, are things sought “barhopping on Franklin Street passing out condoms and dental dams to unsuspecting patrons.”

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A Princeton web page (ec.princeton.edu) linked by UNC-Chapel explains that there are two kinds of emergency contraceptives: the copper-T intrauterine device (IUD), which carries a slight risk of pelvic infection and infertility, and the “morning-after pills,” which often have the side effects of nausea and vomiting.

In other words, the EC Week people promote taking chances on sexually transmitted diseases, pregnancy, infection, infertility, and nausea and vomiting. If that is “healthy, safe sex behavior,” then buckling a boozer’s seatbelt is “healthy, safe running-your-car-into-a-tree behavior.” Sure, it will cut the risk, but only after waking at the much riskier behavior.

Barking this idea are Choice USA, Planned Parenthood and NARAL—abortion advocates. Why? Are they seeking new constituents by encouraging drunken students to have a “safe” tumble in the sack? Or are they counting on the inebriates’ fumbling with condoms to cause them later (and out of necessity) to “become aware” of emergency contraceptives? It would be tragic if they would also have to “become aware” of living with a sexually transmitted disease. Is it quite likely they won’t take Westheimer’s advice on how to be protected against AIDS: “In addition to using condoms, both partners should be tested for the virus first, and after you’ve been given the all clear, you have to be able to trust one another not to...”
Bats in the Belltower

Top 10 Nuttiest Campus Events in N.C. Higher Education 2003

1. Students ‘Reimport’ Textbooks From Overseas, Save Money

By JON SANDERS
Assistant Editor

College textbooks published in the United States but exported to book sellers overseas are in many cases cheaper for students to “reimport” than it is for them to buy from domestic bookstores — with textbook prices skyrocketing, college bookstores in North Carolina and nationwide are discussing ways to exploit those cheaper overseas prices.

While the issue has been a popular topic for the past few years with the National Association of College Stores, which also has been discussing it with the Association of American Publishers, it broke nation-wide after The New York Times published articles and op-eds on the subject in late October 2003.

The crux of the matter is, as Times writer Tamar Lewin wrote Oct. 21, that “the ‘same college’ textbooks used in the United States sell for half price — or less — in England.” Two recent changes have occurred that are making reimportation easier, Lewin said. The Internet makes it easy to see foreign book prices, and in 1998 the Supreme Court ruled “that federal copyright law does not protect American manufacturers from having the products they arranged to sell overseas at a discount shipped back for sale in the United States.”

Textbook publishers say that the differences between American and foreign markets dictate the price difference. Economic theory suggests that price discrimination can succeed when firms can avoid resentment over the different prices or prevent lower-price purchasers from arbitraging, i.e., reselling to the higher-price buyers for a profit while still undercutting the prices they had been paying. Publishers can no longer afford American resentment now that the Internet can quickly show them the vastly different foreign prices, and Lewin’s article provided examples of students engaging in textbook arbitrage. Under this new environment for textbook sales, it is likely the price differential between foreign and U.S. prices for the same textbooks will fall.

In late fall 2003, articles in some student newspapers in University of North Carolina schools — in UNC-Wilmington’s The Sun-Herald, UNC-Greensboro’s The Carolinian, and UNC-Chapel Hill’s The Daily Tar Heel — discussed the money-saving potential of ordering books overseas.

Not only are students going to foreign distributors (whether just to save them- selves money or to make money through textbook arbitrage). As Lewin wrote, “Many college bookstore[s] are now arrang- ing their own overseas purchases.”

They include UNC-CH’s Student Stores. An article in the DTH of Nov. 6, said, “Student Stores officials are looking into the possibility of purchasing textbooks from overseas.”

By Kevin Hassett, AEI

“I highly recommend Investpolitics to any reader interested in understanding how our government turned into an entitlement trough.”

— Kevin Hassett, AEI

“Hood has delivered a thoughtful and very engaging text that will help move the debate from last century’s entitlement-dependent view of society to the county’s Jeffersonian roots of self-reliance.”

— Chris Edwards, Cato Institute

Look for Investpolitics in bookstores or at www.TempletonPress.org.
Special-interest groups plan strategy with a few leftist senators

Memo Leaks Reveal Depths of Conspiracy to Save Racial Preferences

By JON SANDERS
Assistant Editor

RALEIGH
The watchdog group Judicial Watch Inc. has filed an ethics complaint with the U.S. Senate Select Committee on Ethics against Sen. Edward Kennedy of Massachusetts. The complaint centers on allegations that Kennedy deliberately obstructed the confirmation of Tennessee Judge Julia S. Gibbons to the Sixth U.S. Circuit Court of Appeals — until after the court had decided en banc the racial-preferences cases concerning the University of Michigan and its law school.

The July 2002 issue of CAROLINA JOURNAL noted that at the time of that ruling, “the Sixth Circuit is only half its normal size, thanks to the Democrat-controlled Senate’s out-and-out refusal to confirm any nominees sent to them from the Republican president, George W. Bush. There are eight vacancies on the court (one of the judges ruling in the Michigan case having taken ‘senior status’ last December). Bush has so far sent seven names to the Senate without one confirmation.”

“The ruling, which upheld Michigan’s use of racial preferences, set the stage for a Supreme Court appointment,” the article continued. “The June 2003 memos leaked to the Wall Street Journal in November 2003, show just how far those partisan politics went. Complaints of misconduct and violations aside, however, the actions in this sordid affair achieved their key aim?

‘Concerned about the propriety’

According to the Judicial Watch ethics complaint against Kennedy, which was hand-delivered to members of the ethics committee Dec. 2, “According to press reports citing an April 17, 2002 memorandum, Senator Kennedy and members of his staff, acting as Senator Kennedy’s agents, improperly and unlawfully developed and engaged in a scheme to obstruct the confirmation of Tennessee Judge Julia S. Gibbons to the Sixth U.S. Circuit Court of Appeals. Senator Kennedy and his agents deliberately stalled the confirmation of Judge Gibbons in order to improperly influence the outcome of the Sixth Circuit affirmative action decisions dealing with the University of Michigan and its law school.”

In that memorandum, a Kennedy staffer explained, “The thinking is that the current 6th Circuit will sustain the affirmative action decisions done by the University of Michigan and its law school.”

In that memorandum, a Kennedy staffer explained, “The thinking is that the current 6th Circuit will sustain the affirmative action decisions done by the University of Michigan and its law school.” The staffer explains, “The thinking is that the current 6th Circuit will sustain the affirmative action decisions done by the University of Michigan case and another case. The Sixth Circuit investigated and found that, Martin did act outside his authority, especially in withholding the petition for hearing en banc.

“Nevertheless, because ‘this court has taken and is taking corrective action regarding all the issues raised,’ the court chose to conclude the complaint of judicial misconduct.

“The same day that it filed the complaint against Kennedy, Judicial Watch also lodged an ethics complaint against Sen. Richard Durbin of Illinois for similar obstruction of judicial nominees. Durbin, according to the complaint, ‘improperly developed and engaged in a racially-motivated scheme to obstruct the confirmation of judges at the behest of political interest groups.’

“In one memo, a staff member told him that leaders of several civil rights organizations — People for the American Way, NAARL, Alliance for Justice, Leadership Conference on Civil Rights, NAACP Legal Defense and Education Fund, the American Association of University Women, the National Women’s Law Center, and the National Partnership — identified Miguel Estrada, nominee for the D.C. Circuit, as ‘especially dangerous, because he has a minimal paper trail, he is Latino, and the White House seems to be hand-delivering to him for a Supreme Court appointment.’

“An earlier ‘talking points’ memo said ‘we can’t repeat the mistake we made with Clarence Thomas’.”
The governor’s Moving Ahead for Progress in the 21st Century Act (MAP-21) project typically costs $150,000 per mile, said Tom Norman, who is the director of the State Division of Bicycle and Pedestrian Transportation.

Sublease of aquarium approved

The Council of State approved a plan to fund a $24 million expansion by leasing one of the state’s aquariums to a private booster club, the News and Observer reported.

In a quick and easy vote, the council, made up of the state’s top elected officials, approved the State Property Office leasing the aquarium at Pine Knoll Shores to the booster club. The council would sublease the aquarium back to the state when construction is finished, and the state would use admission fees from its three aquariums to pay the sublease. The club would use the money to repay the loan.

Funds cut if school merged

As in Surry County, the bottom line when it comes to merging Davidson County’s three school systems is, well, the bottom line, the Winston-Salem Journal reported.

School officials in the Lexington, Thomasville and Davidson County school systems say money is the main reason they haven’t merged. The cities get more federal and state dollars with separate systems, the county’s taxing authority is spread out more for schools, and the potential savings from combined services is exaggerated, officials said.

“We sort of look at it as an impossibility,” said Russ Eagle, finance director for Lexington city schools. “We have to start over on them. We don’t happen overnight, but if it did we would lose between $1.5 million and $2.7 million overnight in the first year.”

Davidson schools have about 19,000 students. Lexington has about 3,200 and Thomasville has about 2,500.

School merger has been an occasional issue in Davidson County for at least two decades.

Most recently, in 1997, the Lexington-Thomasville school board considered a tax rate in an attempt to close the gap between city and county financing and to encourage merger.

The merger fell through when none of the three school systems wanted to go along. Even the Lexington school board had voted to merge, for financial reasons, and the issue has been politically dead ever since.

By DONNA MARTINEZ

Container ships and their cargo pose a challenge to officials in charge of state port security.

The ports authority examines the paper work of all containerized cargo. The conta iner numbers and seal numbers must match the shipper’s manifest. If anything is amiss, the shipper must reconcile the discrepancy before the cargo is cleared.

However, only the containered deemed “high risk” are physically opened and visually inspected by U.S. Customs and Border Protection, the agency with that responsibility. John Quealy, area port director for the agency, cited security concerns in declining to reveal the exact percentage of cargo that meets the high-risk definition. He said the agency uses an automated system to target cargo for visual inspection, looking at among other things, the country of origin and countries it passed through before its arrival in North Carolina.

It’s the unknowns of containerized cargo that concern Warren Lee, director of emergency management of New Hanover County, home to the Wilmington port. “That presents a lot of opportunity for mischief,” Lee said. “We’ve made great strides and done a lot of things necessary, but there are always going to be weaknesses, but I think we’ve come a long way.”

A prominent homeland security analyst agrees, but cautions against falling prey to a numbers game that might mislead officials with safety. James Jay Carafano, a senior fellow with the Heritage Foundation, believes it’s a mistake to waste time and money screening, as much cargo as possible, like the airlines screen people and baggage. That approach would severely impede commerce in an era when the United States is becoming more dependent on maritime trade.

“The measure of our effectiveness shouldn’t be how much cargo we inspect, but are we inspecting the right cargo,” he said. “Securi ty at the ports begins with the CTA trying to find terrorists.”

The threat posed by containerized cargo is clear to the ports authority as well, even though it doesn’t play a role in visual inspections. The agency has applied for an additional $9.2 million Homeland Security grant to supplement the $4.9 million that is already on the way. At the top of the wish list is a container radiation detection system that would be affixed to the crane that lifts containers from cargo ships. News on the new grant request is expected any day.

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Local Government

Combined City & County Tax Burdens Per Capita for N.C. Cities of Population 25,000+

<table>
<thead>
<tr>
<th>Rank/City</th>
<th>Total Revenues</th>
<th>Total Prop. Tax Revenues</th>
<th>City/Count</th>
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<td>$661.58</td>
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<td>$636.08</td>
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<td>$567.20</td>
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<td>$609.99</td>
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<td>$860.52</td>
<td>25. Jacksonsville</td>
<td>$891.11</td>
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</tr>
</tbody>
</table>

Notes: Total revenues include property, sales, and other monies collected by local governments.

Local Tax Burden up

In fiscal 2001-02, the average resident of the inner-city and county in North Carolina paid $968 in taxes and fees to county and municipal governments. This accounted for 4.21 percent of personal income and represents a 5.7 percent increase over 2000-01, when collections were an inflation-adjusted $916 to 4.07 percent of personal income. Collections in 2001-02 were $920 per capita, or 4.14 percent of personal income.

The growth in local revenues was broad-based; per-capita collections were up in 85 of the state’s 100 counties.

The weakening economy also had an effect on local government finances. Per-capita sales taxes were lower in most jurisdictions in 2001-02 than in 2000-01. Almost all of the increase in local government revenues from 2000-01 to 2001-02 came from higher property tax collections. In 2001-02, median property tax collections were $510, or 2.10 percent of personal income.

Combined city/county taxes

Among large and comparable urban areas, Mecklenburg ($2,970), New Hanover ($2,076), and Durham ($2,021) had the highest per-capita property taxes in 2001-02 in the average per capita earnings paid per county and municipal governments. Mecklenburg county was among the highest ranked, but this is in part due to the statistical quirks created by large numbers of out-of-county land owners and tourists. Hoke, Catawba, Gates, Alexander, and Madison county residents paid the lowest average amounts in taxes and fees to local governments.

The results were somewhat different when looking at the local tax burden as a percentage of personal income. Dare County again leads the way with county and municipal revenue accounting for 11.37 percent of per-capita personal income. Second through fifth were Brunswick (7.13 percent), Pender (7.12 percent),绩溪 (6.94 percent), and Currituck (6.86 percent) counties.

By comparison, taxes and fees collected by state governments accounted for 2.72 percent of per-capita personal income in Alexander County. In eight other counties, state collections were less than 1 percent of personal income or less.

Among the 25 cities with populations over 25,000, Charlotte had the highest combined-city-county-tax-and-fee collections per capita. The lowest per-capita collections were in Jacksonville.

The entire “By the Numbers” report is available on line at www.johnlocke.org/policy/reports/.
From Cherokee to Curlington
Durham Restricts Vendors, Panhandlers at Intersections

By MICHAEL LOWEY
Associate Editor

CHARLOTTE
Durham City Council has adopted a law that restricts vendors, panhandlers and beggars from street corners, except at intersections. The council had approved the proposal, which means an electric motor powers the car, assisted on demand by a gasoline engine. So the roadway also recharges the batteries for the electric motor.

The original Prius was a four-passenger car in the same size class as the bottom-of-the-line Toyota Echo. But it got 50 miles to the gallon and produced less than 10 percent of the emissions of many other cars on the road.

Then the five-passenger Prius is bigger, more like a Camry or Ford Taurus, yet it actually gets better gas mileage. The EPA rates it at 60 mpg in the city and 51 mpg on the highway. The city rating is higher than other sources rate as the result of a type of security provided by private property vs. the common areas in New Urban developments that lead to more crime (speeding by onlookers or those from www.taxi2000.com and design_outCrime/policing_urbanism.htm).

Even if PRT were superior to autos, the classic problem in technological change would arise: Once one pattern has been established, it is hard to change to a new pattern even if it is superior.

In any case, I doubt that the economis of PRT would pencil out unless the subsidies required for other rail transit. Plans to support systems: PRT seems attractive, but it's not going to happen. We already have a personal rapid transit system. It is called the automobile. The classic problem in technological change would arise: Once one pattern has been established, it is hard to change to a new pattern even if it is superior.

I am not convinced that PRT is superior to autos, because autos don’t require a walk to a station. Also, being privately owned, automobiles provide the same sort of security provided by private property vs. the common areas in New Urban developments that lead to more crime (speeding by onlookers or those from www.taxi2000.com and design_outCrime/policing_urbanism.htm).

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Virginia Postrel: The Substance of Style and Its Importance

By CAROLINA JOURNAL STAFF

Raleigh


CJ: What is aesthetic value? When you say that the rise of aesthetic value is remaking much of our life, what do you mean by that?

Postrel: Well, the aesthetics, the look and feel of people, places, and things, the sensory content around us, is increasingly important as a source of value in the marketplace and that reflects its increasing importance as an individual and in our society and culture.

And then when you ask what is the source of aesthetic value, why is it that we value aesthetics, what is the substance of style? It comes from two sources. One is the pleasure, just we enjoy being in a more interesting, more stimulating, more beautiful environment. And the other is the meanings that we attach to things, the way we use the look and feel of our surroundings to express something about who we are as individuals or if you think about a company designing a product, what is that product, how does it stand out from other products that are similar? What sort of person is it trying to appeal?

CJ: When you talk about look and feel and aesthetics and how this is influencing the market and actors in the market, consumers, and producers looking for — searching for value, this is a story or an approach to the economic world that I think many might find a little bit different, perhaps even bracing. I mean we’re used to thinking about economic problems in terms of, you know, how can we make things cheaper, how can we deliver them faster, how can we make things with new technologies or mass production that generate economic value. We’re not so used to thinking about it in these terms.

Postrel: Right, and in fact what I call today’s aesthetic imperative comes from the fact that businesses have been so incredibly successful in those other areas. So that functional quality of so many products is very, very high. Cost is low, price is low, things are cheap. Distribution is much more efficient and products are much more available in the marketplace. How do you get them to buy your product versus another product? Your market. How do you get them to buy a cell phone versus another cell phone? Your market. How do you get them to buy a nice toilet brush or something that’s expressive or has a little style, it’s just for the pleasure it gives you in adding a little bit to this functional good.

CJ: Now separate from this idea may clash with some of the traditional ways people think about business and products, it also clashes with the sort of a general cultural or even educational teaching that we’re going to have to accept. What matters is on the inside, not what’s on the outside.

Postrel: This is a moral of fairytales; this is a lesson that we teach kids. Don’t fixate so much on what you look like or what your friends look like. Think about what’s inside. Is what you’re articulating here something that people still perceive as superficial, as focusing on artificiality as opposed to substance?

Postrel: Well, definitely the reason this book is called the substance of style is that there’s this kind of sense that styles don’t have substance and I’m arguing that it does. It says something about identity. It gives us pleasure.

But do you have to understand. One of the messages of the book is that aesthetic is a good. It’s something people legitimately value, it appeals to deep human instincts, it helps us express something about who we are. One of the things people are inside, to show who we are inside through the outside world around us, but that it is not the only good and its own good.

Beauty is not truth. Beauty is beauty. Beauty is not virtue. But at the same time, beauty is not frivolous or trivial or stupid or any of those other things.

CJ: And of course people who say “I wish that beauty didn’t matter” or “I wish that aesthetics didn’t matter,” they don’t get to change human nature.

Postrel: That’s right. That’s right. And it is the case that we are, as a guy I quote several times in the book says, visual, tactile creatures. We are creatures who care about the sensory environment, who learn through our senses, who define ourselves through our senses. That’s not the only way we learn, it’s not the only way we define ourself. But it is the first way and it’s very fundamental.

CJ: There are lots of people, I think, who have gotten this wrong. I mean, I’m a fan of science fiction and I think you actually make some references to imaginations of the future and what they would be like. And there lots of either dystopias or just sort of science fiction stories that imagine that in the future everybody wears the same uniform or cover-all. You know, there might be a slightly different color. Of course in the old Star Trek movies or “Star Trek” shows everything was very colorful because they didn’t have any other money to spend and had a lot of very rendering, colorful clothing. But in more recent science fiction everything is drab and grey and cool and cold. And what you’re saying is that’s not really the future.

Postrel: Well, you know, we’re living in the fabled 21st century now and that’s not what it looks like. In fact, it is very diverse. There are a tremendous number of different styles coexisting. There’s not a sort of an old-style hierarchy where you know, the rich people have one thing, and middle-class people have another thing and everybody is trying to emulate the people further up the… It’s not like that at all.

There’s a lot of personal expression going on, different styles. It’s certainly not this grim, efficient, everyone wearing the same clothes and eating carrots for breakfast.

CJ: This is not Frits Lang’s Metropolis or anything like that.

Postrel: No.

CJ: Now one of the issues of style and appearance that really concerns a lot of governmental circles, particularly local government, is the issue of housing, development, what physical landscapes and physical neighborhoods look like. There’s a lot of interest in attempting to make sure they look classy, they look good. Protect — I want to protect myself from my neighbor’s tacky aesthetic sense.

Postrel: Right, or just different aesthetic sense. Yes, this is part of the downside of this trend. As we care more about aesthetics, as we pay more attention, as our expectations for the world around us rise, whether you’re talking about shopping malls or Starbuck’s or whatever, suddenly instead of just saying the guy down the block has a tacky house, it’s “visual pollution” and someone needs to do something about it. And often in and just facts way. It’s one thing if you have a homeowners association and people have gone into it.

CJ: You know what the rules are going in.

Postrel: But for example there’s a case now going on in Florida where a guy painted his house purple and gold to match his fraternity colors and the neighbors went to the local planning board and they got it declared against the law. And he has to paint it. So I’m arguing that people care about this, they actually care about the expressiveness and it’s a great advantage to them and for most of the neighbors you can just look away.
Life at the Bottom: Socialism Destroys Freedom

**Book review**

Does socialism simply lead to the concentration of wealth and power in the hands of an elite, or does it destroy the very freedoms of the individual? In his fine book offers much to friends of liberty, Theodore Dalrymple is probably not a libertarian, yet his conclusion that human choice is a meaningless "fairytale" is eroded from above and below. Freedom therefore opens the door for "scientists" who study the underclass. It therefore opens the door for "scientists" who study the underclass.

**Life at the Bottom: Socialism Destroys Freedom**

Theodore Dalrymple

Terre Haute, IN

January 2004

**Learning Curve**

Carolina Journal

Carolina Education is Changing Our World explains what biotechnology is all about and describes recent scientific advances. Reporting from "the ground zero of experimentation and clinical trials," author Michael Fumento shows how biotechnology has already demonstrated the potential to fight almost any disease; extend human lifespan well past the 120-year range; wipe out not only famine but malnu-

 Fiori Markets that the socialist state could be blackened the path of the workers had reached its na-

 TERRE HAUTE, IN

Theodore Dalrymple: Life at the Bottom: The Worldview That Makes the Underclass; Ivan R. Dee; 2001; 263 pages

By ARTHUR E. FOUKES

Guest Contributor

Why life in the underclass persists

or their genetic makeup is to blame. Dalrymple’s patients’ faith in this meta-

physical mishmash of beliefs is the source of their misery, he believes.

Dalrymple exposes self-deception

And, as a doctor sworn to help his patients, he has “come to see the uncover-

ing of this dishonesty and self-deception as an essential part of my work. When a man
tells me, in explanation of his anti-social behavior, that he is easily led, I ask him
whether he was ever really led to study mass communications or the subjectives of French verbs. Invariably
the man begins to laugh: the absurdity of what he has said is imme-
diately apparent to him. Indeed, he will acknowledge that he knew how absurd it
was all along, but that certain advantages both psychological and social, accrued by
keeping the pretense up.”

Or consider the burglar who “demanded to know from [Dalrymple] why he repeatedly broke
into houses and stole VCRs … “[S]omething made him break.” Dalrymple
says. “About how greed, laziness, and a thirst for excitement!” Dalrymple
suggested that as a child, the burglar didn’t “make up” the conversations and
explanations he uses. When he assures them his imagination is incapable of such
artistry, they dismiss his experiences as being “irrelevant in my medical practice he meets,”
“funny people.”

Yet the “funny people” are the people with whom are not so few in numbers and are, accord-
ing in size. Freedom from want” has not brought about the crime-
free society. No one who has studied underclass distributionists have always
imagined. On the contrary, it has bred ego-

ism, selfishness, and a disregard for tomor-
der. The Iron Law of Wages would guaran-
tee that as the exploiting capitalists got richer
and the working classes poorer, the former
would sink deeper into a pool of living misery.
Finally, at the point of starvation, the prole-
tariat would rise up and overthrow its parasitic, nonproducing oppressors.

Growing socialism in Britain

The attitude may be quite simple: Socialism (if not a socialist paradise) may be

dawning, at least in Britain, with the fattening of the masses, not the numbing of
their state. The socialist state is no longer detested from wonders already being per-

The first political growth industry of the new millennium. In his most re-
spective, is the growing state sector of the new order.

Second, there is the expanding, tax-
supported group that Theodore Dalrymple, a British physician and public

ity hospital, calls the “underclass.” This group are people dependent on the state for their day-to-day existence. They live in public housing and are granted an adequate supply of food and a minimum allowance, and (like all Britons) receive free medical care.

They are not “poor” in a global or his-
torical sense, yet their lives are devoid of hope.

To begin with, patients from a public hospital, the one that Dalrymple calls the “underclass,” are not “socially disadvantaged.” In his book, Life at the Bottom: the Worldview That Makes the Underclass, Dalrymple exposes the absurdity of what he has said is immediately apparent to him. Indeed, he will acknowledge that he knew how absurd it was all along, but that certain advantages both psychological and social, accrued by keeping the pretense up.”

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artistry, they dismiss his experiences as being “irrelevant in my medical practice he meets,”
“funny people.”

Yet the “funny people” are the people with whom are not so few in numbers and are, accord-
ing in size. Freedom from want” has not brought about the crime-
free society. No one who has studied underclass distributionists have always
imagined. On the contrary, it has bred ego-

ism, selfishness, and a disregard for tomor-
der. The Iron Law of Wages would guaran-
tee that as the exploiting capitalists got richer
and the working classes poorer, the former
would sink deeper into a pool of living misery.
Finally, at the point of starvation, the prole-
tariat would rise up and overthrow its parasitic, nonproducing oppressors.

Growing socialism in Britain

The attitude may be quite simple: Socialism (if not a socialist paradise) may be

dawning, at least in Britain, with the fattening of the masses, not the numbing of
their state. The socialist state is no longer detested from wonders already being per-

The first political growth industry of the new millennium. In his most re-
spective, is the growing state sector of the new order.

Second, there is the expanding, tax-
supported group that Theodore Dalrymple, a British physician and public

ity hospital, calls the “underclass.” This group are people dependent on the state for their day-to-day existence. They live in public housing and are granted an adequate supply of food and a minimum allowance, and (like all Britons) receive free medical care.

They are not “poor” in a global or his-
torical sense, yet their lives are devoid of hope.

To begin with, patients from a public hospital, the one that Dalrymple calls the “underclass,” are not “socially disadvantaged.” In his book, Life at the Bottom: the Worldview That Makes the Underclass, Dalrymple exposes the absurdity of what he has said is immediately apparent to him. Indeed, he will acknowledge that he knew how absurd it was all along, but that certain advantages both psychological and social, accrued by keeping the pretense up.”

Or consider the burglar who “demanded to know from [Dalrymple] why he repeatedly broke
into houses and stole VCRs … “[S]omething made him break.” Dalrymple
says. “About how greed, laziness, and a thirst for excitement!” Dalrymple
suggested that as a child, the burglar didn’t “make up” the conversations and
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Economics for Real People: A Readable, Basic Austrian School View

By E. C. PASOUR, JR.
Guest Contributor

G ene Callahan's stated objective is to introduce the intelligent layman to the main ideas of the Austrian School, and I know of no close substitute for the book he has written. Logically organized and written with an engaging and entertaining style, the book consists of four parts and two brief appendices.

Step-by-step economics lesson

Part I focuses on human action. Callahan uses the Robinson Crusoe model of an isolated individual alone on a desert island to explain basic economic concepts including value, saving, time preference, capital, and uncertainty. Part II describes the market process. When another person joins the island, the laws of comparative advantage lead to specialization and the division of labor and exchange. The author then expands the simple island economy to show the importance of money in exchange and in economic calculation. He emphasizes the role of the entrepreneur, explaining why entrepreneurship plays little role in mainstream theory, which emphasizes equilibrium analysis where all decisions are perfectly coordinated and there are no profit opportunities.

The distinction between mainstream and Austrian views of inflation and deflation comes out in the discussion of pitfalls in using price indexes to measure the price level. The author explains why inflation is best viewed as a rapid increase in the money supply rather than an increase in CPI (or other price index), even though a price index is useful as long as it is taken as a rough approximation of changes in the value of money.

In Part III, Interference with the Market, Callahan, in describing the calculation problem, explains why socialist planners could not do what they purport to do, even if all citizens were properly motivated as perfect socialist citizens. A race of saints would still be unable to perform economic calculation in the absence of market prices for the factors of production. Even though they all desired to fulfill the most urgent needs of society, without prices, they could not determine what means should be used to fulfill those needs.

The conclusion follows because there cannot be market prices without markets, and there would be no resource markets if the government owned all resources. Planners in a market economy attempting to implement a program of other goals must first confront information problems similar to those facing socialist planners.

Frederic Bastiat contended that in economic affairs, too many things are as unknown to us by what is seen but also by what is not seen. Callahan follows Bastiat's dictum in explaining the effects of policies that involve minimum wages and price ceilings, and drops in the stock market. He has the clearest explanation I have seen for why a fall in the stock market, as in 2000-2001, is best viewed as a change in relative prices rather than a reduction in wealth.

The pitfalls of using "efficiency" criteria for urban planning and for justifying interventionism are often ignored in economic analysis. The author shows that attempts to maximize "social utility" through nonmarket approaches, including the legal process, fail to recognize the importance of market prices and secure property rights in achieving the most productive pattern of resource use.

Callahan uses an ingenious metaphor involving a bus driver at the edge of a desert — too long to describe here — to explain the Austrian business cycle theory. Credit expansion by the central bank and erroneous entrepreneurial expectations are the critical factors in explaining why modern economies tend to swing through booms and recessions.

Moreover, government regulation of markets "excesses" is no panacea. In attempts to correct alleged market failures — including unsafe products, externalities, inadequate investment by private firms in sports arenas, and path dependencies of "scarecrows" by government are just as pervasive and more difficult to correct than those of the market because of information and incentive problems.

Part IV focuses on the political economy of the Austrian School. The author contrasts views of Lachmann, Hayek, Mises, to modern ways viewed by key Austrian figures concerning the appropriate role of government. This discussion is closely related to the first appendix, which provides a short description of the history and development of the Austrian School.

The second appendix contrasts praxeological economics with mathematical economic analysis. Callahan explains why the latter approach, though useful in certain situations, fails to capture the logic of economic events.

Austrian vs. 'mainstream'

I recommend this book to anyone interested in a highly readable, nontechnical presentation of the basic ideas of Austrian economics and an explanation of how it differs in a number of important ways from "mainstream" economics. Although some of the topics could have been explained more completely in a longer book, the available space is used quite effectively.

BOOK REVIEW

E. C. Pasour is professor emeritus, Department of Agricultural and Resource Economics, North Carolina State University.

Houston Freeways: A Road Map for Other Growing Regions to Mimic

By Eric Slotboom: Houston Freeways: A Historical and Visual Journey; Slotboom; 2003; 404 pgs.; ISBN: 0-9658463-2-8; color photos and maps; $29.95 plus shipping ($34.95 in stores, mainly in Houston).

S ome people collect books about cars. I collect books about trains. Eric Slotboom hopes there are collectors of books about urban growth, because he wrote, designed, and paid for the printing of this lavish, hard-bound book about Houston's freeway network.

Before I read this book, I knew that the Houston urban area, which has about 2.5 million people, has more miles of freeway per capita than any other urban area larger than 1.5 million people. In fact, it has nearly three times as many miles of freeway per million people, and well over twice as many lane miles of freeway, as Los Angeles.

Innovations started in Houston

But I didn't know that, from the very beginning of post-war freeway construction, freeways in the city of Houston were built to the most advanced designs: wide lanes, shoulders on both the inside and outside of the lanes, high-speed junctions, and percentage roads on both sides for local traffic.

Many states and regions use cloverleafs at the junction of two freeways. These often force drivers to slow to as low as 20 mph, which becomes a major source of congestion. Houston freeways were built instead with flyovers stacked four and occasionally five high so that people could go from one road to another without significantly slowing down.

There are plenty of junctions, as Houston's network includes three major rings (counting a small, inner-city ring) and 14 spokes heading in all directions of the compass. Not all of the spokes reach all the way into the hub, but there are still close to 30 major freeway junctions.

Slotboom describes how Houston's freeway system evolved in two major waves. The first started in 1948 and ended in the late 1960s when inflation caused highway construction costs to grow nearly four times faster than gasoline taxes and other highway revenues. Like other cities, Houston had an anti-freeway movement that managed to stop a few planned roads, but lack of funding and Houston's rapid growth were the real problems.

By 1983, the Texas Transportation Institute ranked Houston as the first or second (depending on measure) most congested urban area in America. The region responded that year by creating the Harris County Tollroads Authority, leading to the second wave of construction of advanced freeways, now including busways and carpool lanes. At nine inches by 12 inches, Houston Freeways is almost a coffee-table book. Yet it provides fascinating information about both the political history of freeways and the technical details of freeway design. Among the innovative designs illustrated here are:

• Vehicle impact attenuators — the rubber cushions for freeway guardrail concrete barriers, invented by our friends at the Texas Transportation Institute and now saving lives all over the country;

• The Texas-T ramp — an alternative to wishbones;

• The Z-patttern with high-mast configuration — nighttime lighting designed to provide light above and behind drivers so they wouldn't have to look directly into a floodlight;

• Merits of building roads with 15 inches of concrete instead of just eight.

In its most recent mobility report, the Texas Transportation Institute ranked Houston, the nation's ninth largest urban area, 48th out of the 50 largest urban areas in America. This isn't so much because the region's transportation system has improved in the past two decades as that congestion everywhere else has worsened. By the institute's measure, Houston's congestion is 9 percent worse than 20 years ago, while Los Angeles is 41 percent worse.

As I've written elsewhere, the Texas study overemphasizes congestion by excluding that all freeways are alike in speeds and flow capacities. But Houston's are far more advanced than freeways in most Eastern cities and tend to be more advanced that freeways in most Western cities. In reality, Houston probably wasn't the most congested urban area in 1983 and it is probably not the most congested urban area in 2004.

Impressive reference book

Slotboom isn't uncritical of Houston's freeway designers. He notes that the region would have been better off with a grid pattern instead of the hub-and-spoke system that leads to congestion at the hub because it forces many people to drive through downtown even if their destination is somewhere else. He points to embarassing failures, such as a bridge that was built too low across the Houston Ship Canal.

I probably won't keep this book on my coffee table, but I certainly will keep it as a reference for what other growing regions should (and sometimes shouldn't) do to ensure mobility for their residents.

Partly because I am sympathetic to something called "smart growth," I have given some thought to whether it is possible to develop a plan for creating some kind of book on publishing, but mainly because I am interested in the outcome, I encourage you to go to http://houstonfreeways.com/ to view sample pages of the book and consider ordering it.

Eric Slotboom is Dream Coalition's vice president of communications and the Center for Media and Communication Studies' director. He is editor of the Dream Coalition (americandreamcoalition.org).
Is the economy, or is it stupidity? That’s what North Carolina’s citizens want to know after the General Assembly recently approved a package of “incentives” for corporations that Gov. Mike Easley said would save $20.6 million. Legislators staged a special session Dec. 9, in less than a day, to study the incentives and work their magic. Also, they had the magnificence to pass on to two corporations that really need it: the gigantic Merck pharmaceutical company and R.J. Reynolds Tobacco Holdings. The deal comes, paradoxically, a few years after North Carolina, led by then-Attty. Gen. Easley, and other states sued tobacco companies and won billions in a settlement.

The way Easley and some legislators are selling the “investment,” North Carolinians are getting a real bargain. We’ll break even on the Merck deal, they say, in about 11 years. After 20 years, though, is when we get the really big payoff: $20.6 million, which is called “a net positive impact on the state budget.” If those numbers are reliable — and we all know how reliable our state’s politicians are — my calculator tells me that the rate of return on the state’s so-called investment would be much smaller than the yield in any market. North Carolina officials would have served the state better by investing, say, even in an index fund. That’s assuming, of course, that Merck lives up completely to its end of the agreement of investing hundreds of millions of dollars and generating hundreds of jobs to the state. Keep in mind that RJR recently eliminated more jobs than the 800 the company is supposed to bring to North Carolina.

But wait, there’s more, as they say on those cheap TV commercials that sell each and every product for $19.99. These investments will boost North Carolina’s gross state product by as much as $1.43 billion over 20 years. That figure may sound big, but it is actually trivial — something, in the hundreds of one percent of the cumulative gross state product North Carolina is likely to experience over the years.

Amid all this, I really couldn’t be considered an expert. But I would imagine that any broker on Wall Street who tried to sell a scheme like that would be investigated by the feds and probably thrown into the pokey for a long time. More and more people in the business world nowadays are finding out that the public isn’t in any mood to suffer any more corporate con artists. But in state-government circles it’s quite OK to soak the public. It’s OK because state leaders passed laws that enabled them to do it. Instead of being called corporate predators, in North Carolina though, they’re just called creative and caring politicians.

Now that a lot of legislators have swallowed the bait, Easley and his allies hope to turn the incentives into a feeding frenzy. Cries for a slice of the pork are coming from everywhere. Rep. W. Eugene McCombs wants a huge helping for Rowan and Cabarrus counties, which “have lost what little confidence it had in leaders to conduct its business. The bitter battle in the legislature and in the courts seems to have no end nor reflect any moral consciousness by the participants. The public witnessed what it long suspected: All too often, the political class on a case-by-case basis. A special session of the legislature called by Easley on Dec. 9, identifying Merck and RJR for special consideration, demonstrated the basic unfairness and absurdity of state-sponsored programs to manipulate the economy.

4. Winnow Government Nonprofits. The scandal surrounding U.S. Rep. Frank Ballance, D-1st District, and his John A. Hyman Foundation last year dramatically illustrated glaring weaknesses in North Carolina’s accountability of hundreds of nonprofits the state funds to the tune of about $700 million annually. Beyond the state auditor’s call for periodic reports to be filed by individual nonprofits, the legislature should consider why and whether the state should continue to fund so many of these organizations.

3. Change Redistricting. Perhaps no other issue has so poisoned the atmosphere in North Carolina as redistricting. Because of the political machinations, the public has lost what little confidence it had in leaders to conduct its business. The bitter battle in the legislature and in the courts seems to have no end nor reflect any moral consciousness by the participants. The public witnessed what it long suspected: All too often, the political class on a case-by-case basis. A special session of the legislature called by Easley on Dec. 9, identifying Merck and RJR for special consideration, demonstrated the basic unfairness and absurdity of state-sponsored programs to manipulate the economy.

2. Crack Down on Corruption. The downfall of former Agriculture Commissioner Meg Scott Phipps and the prob- ability of federal charges being brought against Ballance laid bare a serious problem in state politics. Phipps’s cava- lier manner in breaking the law and legislative leadership’s lack of public rebuke of Ballance reveal the political elite’s arrogance, or perhaps tacit acceptance of wrongdoing. The situation cries for forceful action by state leaders to demonstrate they are serious about ridding North Carolina of corruption and about restoring the public’s shaken faith in government.

1. Taxpayer Development. Personal income taxes and sales taxes have risen so much under the Easley administra- tion that growing choruses of North Carolinians are beginning to howl how they’ve had enough. Forget about offering enticements to selected corporations. Easley and his legislative allies should start offering economic incentives, i.e. tax cuts, to under-appreciated citizens to keep them from moving away to states where the taxes are lower. CA
The genius of the American system of government, which set it apart from the rest of the world at the time of the Founding and continues to do so today, is that of a written constitution. But those intellectual "demagogues," as one attendee called them, who convened that hot summer in 1787 to fashion a new structure out of the wreckage of the Articles of Confederation, knew they were merely tying the federal sphere to what the various state legislatures had already accomplished for their governments—a constitution to specify how political power could be exercised, and to what ends.

North Carolina played a key role in the new country's debate over constitutions. Our founding charter, the Fundamental Constitutions of Carolina (co-written in the 1660s by the English philosopher and physician John Locke), helped establish an early tradition of religious toleration that competed with—and ultimately supplanted—other established state churches and sectarian discrimination.

The state's 1776 constitution was perhaps the new country's most authoritarian, imposing severe limitations on the power of governors and judges. Then, after the new federal constitution was signed in 1787 and sent to the states for ratification, North Carolina was the first to do so and the second in April 1788. Every other state participating in the process said "yes" (the other holdout, Rhode Island, hadn't even sent delegates to the constitutional convention). North Carolinians were suspicious because the new constitution granted significant power to the federal government without shielding citizens from its abuse with a Bill of Rights.

After the election of President George Washington and Congress, the state constitution began on amendments. Heartened by this turn of events, North Carolina leaders held another convention and joined the union.

The first twenty years of our state constitution has been amended and rewritten a number of times. As has been the case both at the state and federal levels, efforts to change the constitution tend to come in clumps, spurred by particular events or political movements such as North Carolina's constitutional convention in 1835 (held because the state was far more populous and far more diverse in myriad ways than the nation was then). The post-Civil War federal amendments and state constitution of 1868, and the Progressive amendments in the 1910s (authorizing the income tax, the direct election of U.S. senators, women's suffrage, and prohibition).

Constitution no longer meets needs

We believe that North Carolina has come to another such inflection point. The state's current constitution, enacted in 1971, no longer meets the needs of a state that is far more populous and far more diverse in myriad ways. This state that is no longer just a "country" should no longer be run by a "country" constitution. No sense of it can be—or at least should be—absolutely negative documents.

That is, they should reserve the potential power of election for their citizens, not for their legislators. They should respect the inalienable rights of individuals and the private institutions they form through voluntary contract. Government, Washington reminded us, is "not reason. It is not eloquence. It is force. Like fire, it is a dangerous servant and a fearful master."

Thomas Jefferson reminded us, that in questions of power, "never forget that power always at the expense of liberty, and that in all civil dissensions in which the balance is unequal, the stronger always wins."

Thomas Jefferson is president of the John Locke Foundation, publisher of Carolina Journal, and a syndicated columnist.

The Use and Abuse of Partisanship

The institutions of free, representative government and those of political partisanship have been intertwined—and at odds—since the founding of the Republic. As with so many other public disputes, the problem lies in failing to draw bright lines to keep each in its proper place. Texans are deeply concerned about the influence of what they call "faction." James Madison wrote about the issue in The Federalist Papers, hoping that the constitution would serve to frustrate attempts to subvert power to private ends.

Each of the first three presidents offered strong condemnations of partisanship. George Washington warned "in the most solemn manner against the baneful effects of the spirit of party." John Adams urged Americans never to "lose sight of the danger to our liberties if anything partial or extraneous should enter into the purify of our free, fair, virtuous, and independent elections." Thomas Jefferson wrote that "the greatest good we can do our country is to heal its party divisions, and make them one people."

But the language of our forebears would have the substance of much of the rhetoric we hear today in national politics and in North Carolina, where increasing partisan competition in Raleigh during the 1990s seemed to repel many observers as even a sham at party.

Of course, of this rhetoric can't be taken at face value. Adams and Jefferson, for example, were in-censous partisans. The simple truth is that if you choose one candidate over another, you will have political party.

And in the American system of winner-take-all elections, you will probably have only two competitive parties at a time. Good government will not come from attempts either to quell partisan rivalry or to let it run rampant. Instead, parties must be allowed to contest elections boldly and energetically, and only within parameters that the party currently can power easily evade or change.

In other words, the political game will attract the public's involvement only if there are (at least) two distinct competitive teams, but it will command the public's confidence without neutral rules and nonpartisan referees and commentators.

In journalism and public policy, for example, it's okay to have opinions about issues and to advocate them (though not in writing the news). But it's not okay for partisanship to intrude. Commentators should be willing to criticize either Democrats or Republicans on principle or performance. Regarding elections, partisanship shouldn't be squelched. I think "partisan" elections for local or judicial offices are worse than pointless. They rob voters of useful information and allow the outcome to be disproportionately influenced by simple name-recognition or special interests. On the other hand, partisanship shouldn't be allowed to rob voters of political choice through gerrymandering or manipulation of the election laws.

A polarity of effect happens when partisan competition devolves into sloth and corruption, as has happened in both Democratic and Republican regions. And a polarity with over-the-top and abusive partisan competition devolves into sloth and corruption, because each team's attention shifts to fighting the rules of the game rather than cultivating talent and formulating positive policy.

When politicians tell you how sorry they are about "partisanship" and how much they'd like to transcend it, they are singing a very old political song. I'm not sure I'd be any more touched if they said more simply that they were more sincerely if they would promise to be enthusiastic factional—but only about ideas, not about power for its own sake.
Health Savings Accounts

Surprisingly, Congress has added tax breaks for health savings accounts to the new Medicare law. Consumers will now be able to obtain relatively inexpensive health insurance policies with high deductibles combined with savings accounts. The contributions to the accounts will be tax deductible, the money will accumulate year after year tax free, and it can be withdrawn to pay for a variety of medical expenses.

According to John Goodman, president of the National Center for Policy Analysis, employees could replace vanished retiree health benefits with “401(h) plans” financed by savings accounts that they can take with them when they retire.

Currently, over a million people are covered by a variety of consumer-driven health plans, most of which involve a spending or savings account, says Tom Beauregard, a health care consultant with the Hewitt Associates consulting firm. As employers shift an increasing share of health costs to workers, a growing number need to put aside money to pay those bills, he says.

Only days before the bill passed, UnitedHealth Group, the largest insurer, bought the Golden Rule Insurance Company, a pioneer in selling medical savings accounts, a less-favored version of HSAs, for $500 million.

Aetna, which already had 45,000 members in high-deductible health plans that include savings accounts, jumped in with a plan to add 100,000 more under the new law.

HSAs have long been a goal of conservative lawmakers and academics who want to add cost-cutting competition to the health insurance marketplace and offer a way for workers to save money for medical expenses in their retirement. President Bush says that under the new law, people with health savings accounts can “save between 10 to 35 percent on any costs covered by money in your account,” depending on their tax bracket.


Vaccine production

There has been a steady erosion in the number of vaccine producers over the past three decades. In the 1970s, there were 25 vaccine makers; today, because of slim profit margins and legislative and liability issues, there are just five. With such a small number of producers, shortages can develop quickly as a result of manufacturing problems or a bad guess on the expected demand, according to a report by the Institute of Medicine, an arm of the National Academy of Sciences.

For makers of all types of vaccines, the Institute of Medicine’s report traced the decline in manufactur- ers’ interest to the fact that the U.S. government, predominantly through the Vaccines for Children program run by the Centers for Disease Control and Prevention, pays slightly more than 50 percent of the vaccine production cost in the United States, and keeps prices low (the percentage is much lower for flu vaccines, which are given to many more adults than children).

Under the Vaccines for Children program, the CDC negotiates a discounted price with the manufactur- er. It then allocates to each state a credit balance, which states can use to buy vaccines from the manufacturer at the discounted price.

The program offers free vaccines to uninsured children under 18 years of age or to those who are eligible for Medicaid or care from federally qualified health centers.

The report concluded that the price squeeze, coupled with a heavy regulatory burden, has discouraged investment and driven drug companies out of the vaccine business. The U.S. vaccine market is only a couple of billion dollars a year in sales, and many of these small companies can make more money on other products than on hard to make and many pharmaceutical companies can make more than a couple of billion dollars a year in sales, and it can be withdrawn to pay for a variety of medical expenses.

The fact that most power utilities are monopolies regu- lated by the government explains the high concentration of sales in that industry. And the information sector, which includes computer software production, publishing, and broadcasting, has been undergoing a wave of mergers in recent years that many explain its high concentration.

There are also exceptions in local or specialized mar- kets where a few firms may dominate. Air transportation is a good example, where one or a few carriers may control most of the flights originating in a local market. Passenger cruise ships are an example of a specialized market where only eight companies control almost 90 percent of the sales.

But the conclusion seems to be that big business isn’t the dominant force in the economy that many think it is. Collectively, large companies account for a minority of sales and a minority of employment. Perhaps even more interesting, studies show no increase in the relative importance of big business in our economy over time.

Puny profits

If we go back to the economic teacher for most Americans — TV and movies — we also learn that busi- nesses are big profits. If fact, some would say “obscene” profits. So how close is this talking point to the truth? Not very! People (and I guess TV and movie script writers) see the money going into a business, but they don’t see the money going out. The money going out certainly includes employee salaries and benefits, but also rent or payments on buildings and equipment, insurance, adver- tising, utility and maintenance costs, the costs of money tied up in inventory, and, let’s not forget, taxes of all kinds — property taxes, business fees and permits, federal and state corporate income taxes, and the employer’s share of FICA.

So when all these costs are recognized, how much profit does the average business owner make? The answer is 5 percent to 7 percent. That is, out of every dollar in receipts, the average business keeps 5 cents to 7 cents in profits. Also, this is “before inflation.” The profit rate is even lower in “after inflation” terms.

So there you have it, the real “scope” on business power and profits that you won’t see on TV or in the movies. It almost makes you want to hug the next business owner you see.

Michael L. Walden

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

Power, Profits, Big Business: Not a Slam Dunk

By MICHAEL L. WALDEN

Contributing Editor

Raleigh

Let’s admit it — we all watch a lot of TV and movies.

In fact, for many Americans, TV programs and movies have replaced newspapers, magazines, and books as sources of information on all sorts of subjects.

One of these subjects is the economy and how it works.

I think it’s fair to say many people form their perceptions about the operation of the economy from what they see on TV and in movies.

A common theme running through many Hollywood productions is that big business controls the economy. Movie and TV scripts often like to portray David and Goliath situ- ations where little David, often a worker or consumer, is pitted against a large Goliath, namely big business.

For many of us, these fictional dramas correspond to what we see in our daily inter- actions with business. Many of the retailers we shop are part of nationwide chains. There are only four, maybe five, major fast-food restaurants. The nearest airport may have just two or three airlines we can use.

Thus, it’s easy to conclude big business rules the economic world, and by extension, has tremendous influence over public policy.

Yet there’s always a danger in generalizing from our own experiences and perceptions and making sweeping conclusions. That’s one reason why studies and statistics are valuable. They can help us see beyond our immediate “trees” to the “forest” beyond.

Does big business rule?

So what do studies and statistics say about the relative dominance of big business in our economy? Are we in an economy increasingly run by big business, or is reality something different?

Fortunately, there are statistics collected by the U.S. Census Bureau and others that directly address this ques- tion. The statistics tell us the percentage of total sales in an industry accounted for by the largest firms in that industry.

Generally, the statistics don’t show that we’re an economy dominated by big business. For example, the four largest firms in most industries usually account for less than 10 percent of all sales in that industry. Even the 50 largest firms account for less than one-third of total sales.

There are some exceptions — utilities and the informa- tion sector, for example. The latest numbers show the five largest utilities garnering almost two-thirds of all utility sales, and the eight biggest information companies have more than half of all sales.
For those who believe government programs are the answer to solving social problems, the 2003 North Carolina Child Health Report Card is a reason to celebrate. At least that’s what its authors and supporters want you to think. Compiled by the North Carolina Child Advocacy Institute and the North Carolina Institute for Medicine, the press release announcing the data boldly proclaims that “North Carolina Child Health Measures Investments Made by General Assembly.”

Interestingly, groups like those that created this report say they have support from a family. Noting that’s their well-intentioned goal. But to ignore the hard work and commitment of parents is thoughtless and a disservice to those looking for a balanced assessment of the interrelated role of individuals and government.

Middle class at the government trough

Proponents of limited government appreciate and support society’s moral obligation to provide assistance to those who can’t help themselves, but at a societal cost. Children are certainly part of that equation. But unfortunately, government services originally intended as a helping hand to small segment of society have grown into entitlements for North Carolina’s expanding middle class, who are perfectly able to handle their own children’s health care.

Yet another ‘epidemic’ in North Carolina

“We’re seeing a communicable disease, child abuse and neglect, be declared an epidemic in North Carolina,” said Rep. Jennifer Weiss, D-Wake, at the press conference announcing the report’s findings. “Paradoxically appropriate actions to mitigate this problem have been reduced by the General Assembly. Tragically, deaths due to abuse represent about half of all childhood homicides, further confirming that home can be a dangerous place for far too many of our children.”

Weiss will cochair the House Interim Committee on Child Abuse and Neglect, a 20 percent cut in fiscal 2003-2004, a closer look reveals that more than $400 million in “cuts,” are on paper only. In one instance, emergency federal Medicaid relief temporarily replaced state dollars, and in another, a previously inflated rate of Medicaid spending was corrected.

Child advocates needn’t worry about public assistance spending in our state, which is on an upward trend. It’s their mindset we should be concerned about.

Save Money and Time by Changing the College Admission Process

By GEORGE LEEF

Raleigh — Infrequently, a reader comes across an article that is so unusually candid, expressing such unexpected thoughts, that he feels like sending up a cheer for the author. Recently, I read an article like that.

It was written by Cliff Sjogren, 75, who worked for many years as the head of admissions at the University of Southern California. His essay, “A Radical Plan for a Simplification of the College Admission Process,” was published in the Chronicle of Higher Education.

College admissions too complicated

After decades in the admissions business, Sjogren believes that it has become a costly waste. Here’s his conclusion: “In a well-intended albeit futile attempt to be all things to all people, colleges and universities have seriously complicated admission procedures for the student, overly burdened high school counselors, and substantially increased the colleges’ costs for enrolling fresh-scrubbed classmates.”

The admission process is loaded with “time-wasting drudgery,” which leads to ‘bulging institutional administrative costs.’

Sjogren seeks 10 changes in admissions

Sjogren sets forth 10 specific changes he’d like to see. All are at least worth considering, and several, in my opinion, “no-brainers.” Let’s take a look at some of them.

• Get rid of the student essay. At most colleges and universities, and all of the competitions, there seems to be no essay to contrive to catch the attention of the admissions people and persuade them that the student is a goldmine of characteristics that would greatly enhance life on campus. There’s just one problem — many of those essays are as phony as a $3 bill. Students would be required to write and submit data on the percentages of A’s, B’s, C’s, D’s, and F’s in all their academic courses, the percentage of students who have enrolled in four-year colleges, the median SAT scores for juniors, among other information.

• Eliminate or greatly reduce recommendations. Why bother counselors and teachers with the need to write favoring letters that rarely make any difference? As Sjogren says, “Students with poor grades and test scores who say they will probably be admitted, and weak students will likely be rejected regardless of what the counselor or English teacher writes.”

• Concentrate on the student’s high-school academic performance. The best indicator of college readiness is the student’s success (or lack thereof) in high school coursework.

• De-emphasize extracurricular activities. Sjogren sees no point in down-grading students just because they didn’t acquire a legacy of faculty preferences for students, and reducing the reliance on SAT scores.

• Admissions bureaucrats will probably complain that Sjogren’s ideas would “turnback the clock,” but I think he’s on target.

George Leef is the director of the Cato Center for Higher Education Policy.
State Initiative Foists Science on Atypical Schools

N.C. School of the Arts, beauty college, and aviation school can do biotechnology too, dadgummit

By PAUL CHESSER
The Future is Now Correspondent

A n ambitious new campaign by Gov. Mike Easley and State Senate President Pro Tem Marc Basnight calls for the dramatic — literally — expansion of new biotechnology facilities on college campuses in North Carolina.

The leaders said new high-tech training facilities will be built at three higher-education institutions in the state that are not known for science programs. The state has dedicated millions of dollars in recent years, through various agencies, to exploit the favorable economic conditions for the biotechnology industry. The efforts of state commerce and economic development officials have produced mixed results. Some high-tech research and development companies have taken advantage of North Carolina’s incentives, but many more have gone elsewhere because of more business-friendly environments.

“Our investments in education, workforce, and infrastructure are paying off,” Easley said. “But we really need to do more, and find creative new ways to entice these high-paying jobs to North Carolina.”

N.C. School of the Arts

Easley visited the state’s premier arts college campus in Winston-Salem last week, and he said he was impressed by the school’s biotechnology presentation.

“They made a very persuasive case for themselves,” said Wade Hobgood, chancellor of the School of the Arts. “Our mission is to take the complex work that is not known for science programs.

“Students from the NC School of the Arts perform an interpretive dance depicting the emergence of recombinant proteins from a tobacco plant. "The problem is that citizens just don’t understand why their tax dollars are being thrown at these progressive companies,” said Wade Hobgood, chancellor of the School of the Arts. “Our mission is to take the complex work that they do off the top shelf, and put it on the bottom shelf where the layman can grasp it.”

The new facility will cost an estimated $3.2 million, and will include a proportional-scale petri dish that will enable humans to credibly re-enact the movements of microscopic bacteria and enzymes.

Carolina Beauty College

Meanwhile, Basnight announced a new biotechnology project sponsored by the state in which Carolina Beauty College will conduct science experiments. For months, economic development groups with connections to Basnight have been wooing two cosmo-technology research companies: Epidermigen, Inc. and Follicle Pharma Corp.

“Two of these companies are on the cutting edge of skin and hair technology,” Basnight said, “and I deserve credit for bringing them here.”

The companies agreed to come because they would be able to use the beauty clinics on the campuses for free. In exchange the companies promised to use only North Carolinians for their experiments.

Epidermigen is synthesizing human tissues with cockroach cells in an effort to arrest the aging process.

Carolina Air Flight Training

Easley and Basnight revealed that the third prong of their innovative biotechnology training initiative would be administered by an aviation school based in New Bern. Carolina Air Flight Training will conduct much of the state-funded research at the Global TransPark in Kinston.

“There is a company who is almost ready to go to market with its product,” Easley said. “They believe that, with the $20 million we are giving them, the TransPark is the perfect place to complete their research.”

Windbag, Inc., has completed its work in Washington, D.C. The company invented a device that captures the bluster of self-absorbed politicians who make fallacious claims about bringing jobs to their states. The poisonous properties are extracted from the collected gaseous braggadocio and the remaining matter is converted into a fuel substitute. The FAA is expected to approve the diesel alternative once Windbag’s research is finished.

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January 2004