

Foreward

by Mike McLaughlin

Eastern North Carolina—that vast stretch of geography lying between the state capital and the sea—represents a great deal of what is special about the Tar Heel state, but it also plays host to some of the state's thorniest problems. For the region as a whole, education levels and per capita income are lower. The region is generally less developed and more dependent on low-wage agriculture and manufacturing jobs than the Piedmont. Two pillars of the region's agricultural economy—tobacco and pork—are plagued by low prices and controversy, and low-wage manufacturing is forever in danger of being relocated to countries where wages are even lower. The region's pristine coastline attracts both tourist dollars and retirees, but the tourism jobs are generally low-paying and population growth in a few coastal hot spots strains the local infrastructure. Meanwhile, the region has been pounded by natural disasters, the most recent and most devastating being Hurricane Floyd, which in September 1999 dropped 21 inches of rain in a 24-hour period, claiming 52 lives and destroying thousands of homes.

Even before Floyd hit, the North Carolina Center for Public Policy Research had decided to devote a theme issue of its magazine, *North Carolina Insight*, to the plight of the east. To begin the discussion, the Center wanted to address the topic of why Eastern North Carolina's future matters to the rest of the state. To write this article, the Center selected Tom Lambeth, the recently retired, long-time director of the Z. Smith Reynolds Foundation in Winston-Salem, N.C., and a former aide to the late Governor Terry Sanford (1961–65). Few know North Carolina like Lambeth, who has devoted his career to addressing the kinds of problems he outlines in this essay.

This edition of *Insight* is the first of a two-part examination of issues affecting Eastern North Carolina. Part II will examine the role of the military in the East, jobs in Eastern North Carolina, and the plight of Eastern North Carolina agriculture. In addition, the Center will consider whether there is the need for a Marshall Plan for Eastern North Carolina.

Photos in Lambeth essay by architect Ligon Flynn / Courtesy Cape Fear Museum, Wilmington.

Why Eastern North Carolina's Future Matters to the Rest of the State

by Tom Lambeth



More than 35 years ago, Governor Terry Sanford, my boss at the time, spoke to a high school in Wayne County. He described Eastern North Carolina as a giant just waiting to be awakened. In the spring of 2000, many of us gathered at Mount Olive College in that same county. We had come together for Project EAST 2000: The New Direction, a venture that sought to give new impetus to economic development in the region. What we heard and what we said that morning revealed how far we were from a giant fully awakened.

I spoke that day on the work of the Rural Prosperity Task Force on which I had served that past year and which had only recently completed its work. I asked in my remarks (as I am certain some in the audience had wondered) why someone from the western Piedmont was there to talk about economic development in the East. It was a question members of the commission from other parts of the state also had been asked during that year of work.

Why is what happens “east of I-95” important to people from Sylva and Hickory and Winston-Salem and Charlotte? Why should the occupants of chrome and glass towers surrounded by prosperity care about their flood-ravaged, economically challenged neighbors far to the east?

I believe the answer is simple and compelling, and I stated it at the opening session of the task force in Raleigh in the winter of 1999. “If you are sitting in a boat and it springs a leak, it really doesn’t matter whether it is in your end of the boat; if it goes down, all aboard will drown.” In an interdependent state, in a global economy, in a time of regional and national economic competition, stagnation in any one part of North Carolina has an impact on all of the state; even the prosperous will pay some of the price. We will be less than we might be. As the boat goes down, we will realize that the end without the leak, the end with the new seat and the recently painted sides, sinks almost as fast as the more vulnerable end.

This is not to ignore the emotional answer, the romantic answer; which is that many of us west of Interstate 95 have roots deep in that other part of North Carolina where the state began. Mine go back almost three centuries, and I am not unique among residents of the Piedmont or Western North Carolina. In a region characterized by a sense of time and place, by what has been described as “certain manner of knowing how to live,” where you come from is important.

Yet the strongest argument for doing what we must do to avoid stagnation or decay in Eastern

North Carolina is an economic one. If one looks at comparisons with national benchmarks—from educational achievement to hourly wage to business growth—Piedmont North Carolina reaches or exceeds the U.S. average. It is in the geographic extremes of the state that the negative superlatives prevail, and the impact of this on Eastern North Carolina is simply devastating.

In the East, commodity prices are at 30-year low, tobacco is under fire, manufacturing layoffs are increasing, and the new plant some may have hoped was coming from Ohio or Indiana just doesn’t exist. Add to that the greatest natural disaster in the history of the state, and you have a true picture of the extraordinary challenge confronting the hundreds of thousands of people who live in this part of North Carolina.

The changing economic development pattern is itself a daunting challenge. The old “buffalo hunt”—the term used to describe the luring of a plant from another state—is truly over. We ran out of buffalo. Even when new industry can be brought to the region, it may offer only a small lift, although even small lifts are welcomed and important. For example: the new satellite plant which will supply argon and nitrogen to Nucor Corporation in Hertford County is a \$15 million investment, and that is good; but it will only employ three people, and this is a region which needs a lot of good paying jobs. So the state needs to look hard at strategies that will build on existing small businesses. For Eastern North Carolina, the potential of heritage tourism is an exciting and potentially fertile field to plow. It also has the attraction of promoting protection of the environment while promoting economic development.

It would compound economic and personal tragedy for the region to be caught in what some would believe is a necessary choice between protection of the environment and encouragement of economic growth. What may be gained initially by unregulated growth may soon become a net economic loss as the environment is so damaged that it becomes less attractive to visitors as well as to those who live there already.

The opportunity to exploit—in a positive sense—the historic and cultural heritage of Eastern North Carolina in ways that attract tourists in increasing numbers pays off beyond the local jobs that it creates. Hotels, motels, service stations, and those who work for them all along Interstate 40 and

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Interstate 85 in other parts of the state will benefit as well. Resultant tax revenues enhance the strength of the East, while relieving pressure on the rest of the state to contribute to the region's well-being. Failure to pursue this economic development opportunity or bad state policy that damages the environment of the region will be a missed economic opportunity for all of North Carolina.

The late George Autry, the long-time head of MDC Inc. in Chapel Hill and an eloquent and thoughtful architect of many of the wise policies that offer hope for rural Eastern North Carolina as well as the rural South, wrote that "education is the antidote to poverty." It is interesting that the two events I mentioned at the beginning of this piece, events that focused attention on the needs of Eastern North Carolina and that occurred more than

three decades apart, both happened on the campuses of educational institutions.

Yet this is the region where more educational deprivation is found than in any other part of North Carolina. It is here that we find the majority of low-wealth counties and the greatest numbers of under-performing schools. We have identified the antidote, and we find it woefully low in supply. No strategy for improving the economic and social well-being of Eastern North Carolina can succeed without significant, perhaps massive, investment in improved public schools.

Recently, several national funders have announced investments in major efforts to study the "achievement gap"—a disparity in educational attainment that has clear racial patterns. That may be fine, but it really doesn't take much documenta-





tion. You can do it for yourself: just take a map of North Carolina and put an overlay on top which identifies those counties where public school student performance is low and then place on top of the first overlay another which measures poverty. You will find, with rare exception, that the counties are the same and that a disproportionate number of them are in Eastern North Carolina.¹

For North Carolina to go into the competitive economic market with so much of its population denied the opportunities that a first class education provides is no different than an army moving into battle with many of its soldiers unarmed. Once again, lack of a skilled work force in Eastern North Carolina will cause problems for the rest of the state.

That fact—the need for educational improvement and for special attention to the needs of rural North Carolina as a whole and to rural Eastern

North Carolina especially—collides with other facts. The state confronts a major revenue deficit that makes maintaining present commitments difficult and initiating new commitments even more difficult. It is also a simple political fact that Eastern North Carolina, which for much of our history dominated state politics, no longer has that kind of power.

Legislative action to redraw General Assembly districts based on the 2000 census means a majority of the legislature's 170 members will come from urban counties, most of them west of Smithfield. Already urban North Carolina, largely outside the East, is organizing a local government caucus. The legislative members from those counties will probably not be far behind in organizing a regional caucus.

It is important for this newly powerful group from urban areas to understand how important are

the rural areas of North Carolina where most of the geography, if not the population, is located. Here are our greatest environmental treasures, here most of our natural resources, here most of what is left of agriculture—itsself waiting for a new awakening. The diversity that has characterized North Carolina and been one of its greatest strengths—diversity in geography, in people, in economy—is threatened if both our population and our attention are concentrated unnecessarily.

If those of us in the Piedmont and the West hear people in the East talking about the need for improved highway access to people and economy, we ought to hear more than just a cry of implied neglect. Think about it. A truck can travel on Interstate 40 from Wilmington to Los Angeles and never pass under a stoplight; yet the same truck moving from Raleigh to Morehead City on U.S. 70 will pass under more than 100 stoplights and pass more than 900 driveways emptying into that roadway. That is more than a symbolic impediment to economic development. What is more important to understand, however, is that the port that one finds at the end of U.S. 70 is important to businesses in the Piedmont and Western North Carolina, and the lack of rapid movement on that highway has an impact on the economies of these regions just as it does on the East.

It seems to me that as we deal with these issues in any part of North Carolina, we are forced to deal with what we think about North Carolina as a whole; as one community with a common destiny. The dangers of a state divided by economic opportunity, or with development that is vibrant in one region and dormant in another are as obvious as division along lines of race or gender or economic status. Both the governor and the General Assembly leadership and Erskine Bowles as Chair of the Rural Prosperity Task Force have warned of the danger of allowing the emergence of two North Carolinas. Governor Mike Easley, in his inaugural address, eloquently committed to avoiding such a division.

The Z. Smith Reynolds Foundation in preparing its most recent annual report asked more than a score of the state's citizens to tell us what being a North Carolinian meant to them. Among these men and women were both natives and recent arrivals, and they came from all parts of the state, but there were remarkable similarities in much of what they said. For all of them the sense of community, the sense of common ownership of natural resources, the commitment to education, the belief in the possibilities of all people were impor-

tant in answering the question that had been posed.

If people in the Piedmont and west do not understand what they hold in common with Eastern North Carolina, if there is not some sense of common fate, then we will squander an opportunity for greater economic gain for all parts of North Carolina. Worst of all, when asked, "What does it mean to be a North Carolinian?" we may someday get the response, "Which North Carolina?"

One of the great moments of the Rural Prosperity Task Force's trip around North Carolina was in Kenansville when State Senator John Kerr (D-Wayne) spoke to us of his concerns about the infrastructure of that region. He spoke as passionately about water and sewer as any advocate I have ever heard. Then he spied me, a representative of that "big" foundation from the Piedmont. He told the group that the state could not let these basic needs go unmet while there were funders spending money on things like modern dance. "Remember," he said, "If you can't flush, you can't dance!"

Senator Kerr had a valid point (although the foundation I then helped run was not very big on modern dance either), and we ought not forget it soon. It will not serve North Carolina well if those of us in urban North Carolina regard eastern and western regions as those places we drive through to reach the beach or the mountains. It will serve none of us well, nor will it help us conquer the future, if we want any part of North Carolina to remain quaint, pristine, and poor. I am convinced that we can build a state and an eastern part of it where we can both flush and dance.

How we deal with the challenges of rural North Carolina and specifically of Eastern North Carolina is another of those opportunities to prove either that government works or does not work. This may have an importance even beyond the immediate goal of economic development and, thus, empowerment for that part of our state.

The opportunity to prove that government works relates to the very foundation of American democracy. In our response to the challenges of regional differences, we may confront at the state level an attitude that has characterized much of our national public policy debate in recent years. It is one that makes it difficult to make our deeds match our dreams. It is one whose legacy is increased cynicism about the viability of democracy and its institutions.

The most significant moment in the U.S. Constitutional Convention of 1787, I believe, was when the convention, at the urging of Gouverneur Morris of Pennsylvania, decided not to begin the

document with the preferred, "We the delegates of the sovereign states of North Carolina, New York, etc.," but rather, "We the people."

While "We the people" was little more than a goal in 1787, that notion that the people can control their destiny as a state or a nation has largely been achieved. Yet many would abandon this idea to the cries of politicians who decry popular government as some monster in a cave. This kind of talk, however innocent its origins, does what no foreign enemy has ever been able to do—it makes us doubt our ability to solve problems; it absolves us of responsibility. We aren't responsible for bad things that happen because that monster in the cave did it. No need to vote, no need to complain, no need to organize to make things better.

In Eastern North Carolina, there are historic doubts to overcome. For many years, people in that region often have felt that state government is more distant than just the drive from Roanoke Island to Raleigh. Worst than that, children in the region have often sensed some disadvantage inherent in their geography. Teachers in local schools reported some years ago that having their students work on local history had a positive effect on self-esteem. Many seemed to assume that history was something that happened somewhere else. With a legacy of economic and political disappointments compounded by a devastating natural disaster, the idea that people can join together to make things better is a difficult one to sell. People in the East must first believe that they can make a difference, that they can control events around them, that they can have some influence over the future of their region.

There is another handicap that was recently articulated by leaders from Eastern North Carolina, perhaps most effectively by former N.C. Supreme Court Justice Phil Carlton of Pinetops. That is the fact that "Eastern North Carolina" does not exist as a governmental or nonprofit entity. We use the term to designate 40 or so counties on and east of I-95, but there is no existing officially sanctioned governmental or non-governmental entity that encompasses that region. It is unlikely that real progress will be made until that issue has attention and some governmental or private group is given region-wide responsibility for bringing those counties and their people along to share in the economic growth of the rest of North Carolina.

What does one say in response to the argument that this is all about the free market, that efforts to somehow spark economic growth in one region are in the end artificial? Well, the truth is that the growth of the Piedmont is not without its own ex-

amples of government incentives, both federal and state; much of it funded by people from all over North Carolina, including those who do not live in the Piedmont. I believe these have been wise investments and that people in the East benefited when the idea of a Research Triangle Park was conceived and implemented, when Charlotte became a banking center, or when FedEx decided to move to the Triad. And, Western North Carolina has benefited immensely from investments made through the Appalachian Regional Commission. Those in the East have an argument to make that their time has come to show that economic incentives for their development can pay off for other parts of North Carolina as well.

If we have poor schools in one part of North Carolina, if health problems are more serious in one part of North Carolina, if low paying wages are more prevalent in one part of North Carolina, it is likely that the more prosperous parts of the state will find the victims of these conditions moving into their community. These people will be good citizens in their new communities, but there is an economic impact both on the community to which they have moved and on the one from whence they have come. Finding the kind of opportunities that would allow them to live where they started if they chose to do so likely would have a more positive impact on the state as a whole.

The simple fact is that in 2001 you cannot isolate regions of the state either into prosperity or decay. Hurricane Floyd and the resulting flooding is for us a dramatic example of how what happens in one part of North Carolina influences what happens on the rest. Projects of importance to Hickory and Statesville and Greensboro found funds not available to them because of the costs of the flood.

While much of this sounds like it is about geography—and of course in a real sense it is—it is mostly about people. When the Rural Prosperity Task Force was announced many months ago, Senate President Pro Tempore Marc Basnight (D-Dare) told of speaking to a rural high school graduation in Hyde County. He asked those students who were graduating to raise their hands if they were planning to stay in that community. Not a single hand went up. Just cold-blooded dollars and cents judgment says that draining off such a valuable resource as our young people from any part of North Carolina would be a tragedy for all its parts.

The litany of problems that characterize our discussions of the issues affecting Eastern North Carolina is almost certainly necessary if we are to respond to those problems, but there is danger in

that exercise as well. We may see that part of North Carolina as just a problem. The truth is that it is a wonderful opportunity for demonstrating that when we come together as a people, when we pay more than lip service to our democratic values, we can accomplish much.

As a part of North Carolina, the East is an asset to be prized, not a sore to be hidden from view. When John White described the new colony of Roanoke and the land beyond as the "goodliest land under the cope of heaven," he was describing Eastern North Carolina. So if there is continuity in our story as a state, it is one of people and place and possibility, and it is a continuity that those in Mecklenburg and Davidson counties inherit just as much as those in Pender and Martin.

This is the goodliest land not just because of its natural beauty, which is what John White saw those centuries ago. It is a goodly land because of the strength of heart and hand and head of those who live here. None of us who live in any part of North Carolina and who love this state can afford to squander such a resource. We cannot waste these good people. ☐☐

FOOTNOTE

¹ Excluding state institutions and charter schools, the N.C. Department of Public Instruction labeled 13 public schools low performing for the 2000–2001 school year. Of these, 10 were located in Eastern North Carolina counties, all of which had poverty rates in excess of 18 percent.

