

# Political Report

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Weekly Briefing on Indiana Politics

Thursday, Sept. 27, 2007

## Clinton-Bayh chain reaction

# Bayh endorsement could impact entire 2008 Indiana ballot

### By MARK CURRY and BRIAN A. HOWEY

WASHINGTON - U.S. Sen. Evan Bayh's endorsement of Hillary Clinton's presidential bid, though hardly unexpected, could trigger a chain of events that will have an impact up and down the Indiana ballot in 2008.

The day after the New York Times wrote that Sen. Clinton "has consolidated her early lead, showing steady strength," while the former First Lady appeared on all five Sunday morning news shows, Bayh endorsed the "front runner." It came a day before a CNN/WMUR poll revealed Clinton's expanding lead in New Hampshire (43-23 percent) over Sen. Barack Obama.

It prompted Chris Cillizza of the Washington Post - who will keynote the HPR Forum



U.S. Sen. Evan Bayh endorsed Sen. Hillary Clinton Monday in Washington. The Clintons and Bayhs have a long relationship, dating back to when Bayh and Bill Clinton served as governors together between 1988 and 1992. Bayh later took the mantle of Clinton's Democratic Leadership Council. (HPR Photo by Mark Curry)

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#### It will all come to Iowa

#### **By CHRIS SAUTTER**

WASHINGTON - After all the talk about how frontloading the presidential nomination process will give more states a voice, it seems to be coming down to Iowa again for the Democrats. That's because if Barack Obama or



John Edwards fail to win Iowa, there is almost no chance of stopping Hillary Clinton from becoming the Democratic nominee. The former First Lady has enjoyed a remarkable run. A year ago, many Democrats and commentators were predicating the certain collapse of her candidacy. Instead, except for early enthusiasm for Obama's unique





### "I cannot make that commitment."

- Democratic Presidential candidate John Edwards, asked during Wednesday's debate whether he could guarantee all U.S. troops will be out of Iraq by 2013. Sens. Hillary Clinton and Barack Obama made similar statements.



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candidacy and fundraising prowess, Clinton has dominated the field. She's done it by running a nearly flawless campaign and winning debates. Her campaign slogan "Experience + Change" (snatched from Bill Richardson's hapless campaign) has struck a chord. And, she has systematically removed doubts about her electability. As a result, Clinton has moved into the position of undisputed front-runner. Or, as Edwards adviser Joe Trippi

told the New York Times, "You used to

the case anymore. It's pretty clear that

be able to say the front-runners - she

and Obama - but I don't think that's

she has sort of pulled away."

But though Hillary Clinton will be virtually unstoppable if she wins Iowa (in part because of her commanding lead in New Hampshire and in large newly front-loaded states like California), the race is far from over. While polls show Clinton holding a solid lead over her rivals nationally, in Iowa the race is a toss-up. That is due to both the nature of the race and the nature of the Iowa caucus.

Iowa's unique role as a retail politics testing ground and launching pad for upset-minded presidential campaigns is a product of the Mc-Govern-Frazier Commission (formerly known as Commission on Party Structure and Delegate Selection), created at the 1968 Democratic Convention. The commission's mission was to open the nominating process and assure greater grassroots involvement after the 1968 debacle. The changes increased the role of primaries and caucuses and reduced the role of party officials and insiders. Iowa was awarded special status as the first in the nation event at which delegates are chosen. Although McGovern did not win Iowa, the changes he directed helped him win the nomination in 1972.

It was left to Jimmy Carter in 1976 to demonstrate that an unknown long-shot candidate could parlay a victory in Iowa into the party's nomination. Gary Hart scored a surprise second place in Iowa in 1984, giving him the momentum to win the New

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Brian A. Howey, Publisher
Mark Schoeff Jr., Washington
Writer
Mark Curry, Washington Writer
Beverly Phillips, associate editor
Jack E. Howey, Editor

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Hampshire primary and nearly deny former Vice President Walter Mondale the nomination. In 2004, Howard Dean and Richard Gephardt were the front-runners until a couple of weeks leading into Iowa when John Kerry and John Edwards emerged as the top two candidates and to prove again that Iowa can change the course of history.

This year, John Edwards seems to have the home court advantage. He is well liked and created considerable good will in 2004 by virtually living in the state for months. Barack Obama is best positioned to deny Clinton the victory she needs in Iowa to give her a clean shot at the nomination. Obama continues to draw huge, enthusiastic crowds. His campaign has spent almost \$3 million in Iowa already, nearly twice the amount on television advertising as Clinton and Edwards. And Obama is also said to have the best ground game with greater grassroots energy generated from his younger supporters.

Clinton's balancing act on the War in Iraq could potentially start to give her trouble again as Iowa Democrats are undeniably and vociferously anti-war. But Obama's refusal to challenge Clinton on her vulnerabilities like the war, including at Wednesday night's debate in New Hampshire, are making a late surge by the Illinois senator less and less likely. While Clinton touts her experience in the White House, it remains to be seen whether The Howey Political Report PO Box 40265 Indianapolis, IN 46240-0265.

www.howeypolitics.com BrianHowey@howeypolitics.com

Indianapolis Office: 317-202-0210.
Howey's Mobile: 317-506-0883.
Indianapolis Fax: 317-254-0535.
Washington, DC Office: 202-256-5822.
Business Office: 317-254-0535.
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Obama will successfully make the case that her White House record from the travel office to health care reform is not particularly impressive and that her tendency to polarize the public is too risky for Democrats.

Meanwhile, Sen. Evan Bayh's chances of landing on a national ticket led by Clinton have greatly improved in the past several weeks. First, Virginia Senator John Warner announced he would not seek re-election in 2008, opening the door for a Senate run by former Governor Mark Warner. The Democratic Warner, considered one of Bayh's top competitors for the VP slot, has effectively taken himself out of contention by announcing for the Senate. That leaves few with Bayh's executive experience and national appeal. Then on Monday, Bayh's endorsement of Clinton's presidential candidacy received enormous coverage and glowing reviews. If Monday's press conference had the feel of an audition for the Clinton ticket, the feeling is Bayh clearly passed. More than a few commentators compared Bavh's relaxed and confident demeanor to former Iowa Governor Tom Vilsack's recent ill-advised attacks on Rudy Guiliani's personal life. Of the other names recently mentioned, only Ohio Governor Tom Strickland might bring more to the ticket. But for now, Bayh has to be considered the vice presidential front-runner to join presidential front-runner Clinton.

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#### Clinton-Bayh: From page 1

on Oct. 23 - to write, "The latest sign of Clinton's 'inevitability' ... Indiana Sen. Evan Bayh endorsed her presidential bid Monday."

There was much speculation about Bayh's vice presidential chances with Sen. Clinton, given that he doesn't really fit in with any other candidate in the field. Whether that happens or not, Bayh's move on Monday was akin to dropping a fizzy in the water:

The most likely reaction to this week's events is that with Clinton's nomination "inevitability," is that it will draw former Congressman Mike Sodrel into a fourth race against U.S. Rep. Baron Hill. Indiana GOP Chairman Murray Clark told HPR Wednesday that he expects Sodrel to enter. Last week, Sodrel promised a decision by October. In the 2nd CD, Army veteran and State Department intelligence analyst David "Chris" Minor is expected to challenge U.S. Rep. Joe Donnelly, waging his campaign, as Howard County Republican Chairman Craig Dunn said, "from the sands of Iraq" where he will report for duty in the next couple of months. So two glaring holes in the Hoosier GOP lineup are

now likely filled with Republicans banking that a Hillary Clinton nomination will help them in Indiana in 2008.

Deedee
Benkie, the 9th CD
vice chair, told HPR,
"Hillary Clinton is
despised in the 9th
District. There was a
bumper sticker today
in Madison that read 'Anybody But Hillary in
2008!'" Benkie added,
"I definitely think Evan
Bayh is her choice for
vice-president and he
is well liked in Indi-

ana. However, it would not matter if Larry Bird ran as her vice-president, Damon Bailey chaired her campaign and Bobby Plump gave it his best and last shot...Hillary Clinton loses in the 9th district."

The Washington Post reported that an August survey by Democratic pollster Celinda Lake showed Clinton and Obama trailing Rudolph Giuliani (R) in the 31 Democratic-held House districts regarded as most imperiled in 2008, and even potentially serving as a drag on those lawmakers' re-election chances. The poll was conducted in August and paints a "sobering picture" for Democrats, according to a memo by Lake and Daniel Gotoff that accompanies the poll report. Giuliani takes 49 percent to Clinton's

39 percent, while the former mayor's lead over Obama is far smaller, 41 percent to 40 percent.

There is little doubt that Bayh will occupy a top five, if not top three cut of Clinton vice presidential choices. Politico's Roger Simon wrote, "Standing there side by side behind the lectern they looked like ... a ticket." A Clinton-Bayh ticket in '08 has the potential of substantially altering the Indiana political landscape. Every time Bayh has appeared on an Indiana ballot, Democrats have picked up at least three seats in the Indiana House. This comes after a summer when Indiana House Democrats are in a state of hemorrhage (and this comes before many Hoosier taxpayers figure out the ridiculous nature of Speaker Pat Bauer's tax rebate). State Reps. Bob Kuzman and Duane Cheney resigned, and hours after State Reps. Joe Micon and Dave Crooks announced they would not seek re-election. Of those four seats, three (sans Cheney's) will likely be in play. State Rep. Jerry Denbo is running for the French Lick Town Board, and that seat could come into play as well. There are other Democrats who could join this retirement trend.

Look no further than 1988 to find a unique

intersection of vice presidential politics and Indiana. Bayh won the Indiana governorship despite the presidential ticket of George H.W. Bush and Hoosier Sen. Dan Quayle. Democrats picked up three House seat to deadlock the chamber at 50/50. Republicans would win control of the House in 1994 and another 50/50 split in 1996 - both years when Bayh didn't appear on the ballot. If Bayh were to join Clinton on the ballot in 2008, the question bandied about

Bayh was acknowledged by President Bush at his May 2003 appearance at the Indiana State Fairgrounds. Future Gov. Mitch Daniels can be partially seen behind Bayh. Bayh's endorsement of Sen. Clinton could reverberate throughout the Indiana ballot in 2008. (HPR Photo by Ellen Jackson)

the most is whether he could help the Democrats carry Indiana. This is not out of the question when you consider that the Iraq War could become a huge millstone around the GOP's neck. Clinton has taken a relatively moderate stance on Iraq, as opposed to her more liberal Democratic opponents. But even if Clinton-Bayh couldn't carry Indiana, he would almost guarantee a tail wind at the back of the party's gubernatorial nominee and might help salvage an Indiana House seat or two. Bayh's inclusion on a national ticket would be a complicating factor in Gov. Mitch Daniels' re-election bid, though, not a silver bullet there. Little wonder that key Bayh allies on the Indiana Democratic Central Committee have tried to position Bart Peterson



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ally Jim Schellinger for the state ticket. Had the nomination fallen to a gadfly, it would have posed a problem for Bayh's inclusion on a national ticket. The fact that Jill Long Thompson has emerged as an early frontrunner doesn't necessarily pose a roadblock for Bayh to make a ticket.

State Rep. Crooks, who created a stir on Aug. 13 when the Associated Press in a national story quoted him as saying of Clinton, "She is just so polarizing," and added that she could cost state Democrats here three or four percentage points in the next election. "We seem to be seeing a new Hillary Clinton emerge right now,



Clinton and Bayh during their January presser following their trip to Iraq, Afghanistan and Pakistan.

from her comments to her appearances to her personality," said former Indiana House Speaker John Gregg. She could really energize the party here and throughout the Midwest if she chose Indiana Sen. Evan Bayh as her running mate, he said. Crooks told HPR on Wednesday that the "inevitability" factor has nothing to do with his retirement. He said that a Clinton-Bayh ticket "would correct the Hillary drag" and added once again, "It will be difficult for Hillary Clinton to win Indiana" even with Bayh on the ticket. "I have a hard time believing she'll select Evan Bayh," Crooks said.

Therein lies the biggest parlor game in Hoosier politics. Some argue that a Clinton-Obama ticket is more likely, but there has been a distinct strain in that relationship during the campaign (as there was between JFK and LBJ in 1960, Reagan and Bush in 1980, and Clinton and Gore in 1992). When it comes time to choose a running mate, the party nominee will do whatever it takes to position a ticket for the win, be it kissing a frog or selecting a Texan. New Mexico Gov. Bill Richardson, we believe, will be another occupant on such a short list, having served in President Bill Clinton's cabinet, though he possesses much more baggage than Evan Bayh, who has nothing but a squeaky clean background, has worked on family issues, and has developed a solid reputation on the Senate Armed Services and Intelligence committees.

Bayh has a warchest of \$10 million, something no other candidate will be able to offer Clinton next summer. One Republican source said that will be of little significance. "Hillary can raise that with one phone call to George Soros."

**Politico's** Roger Simon takes a line similar to HPR's thought process: "Way back in July, I said that Mark Warner and Evan Bayh were leading choices. Now, Warner, the former governor of Virginia, has removed himself from vice presidential contention by choosing to run for senator from Virginia instead. Frankly, that is a surprising choice.

If you want to be president - and I suspect Warner does - becoming a vice president is a much better way of getting there."

Bayh is known to Democrats in Iowa, Illinois, Ohio, Michigan and Wisconsin, where he gave J-J speeches during the ramp up to his own presidential campaign. He would play well in those states during the fall of 2008. His two terms as governor in a red state will be seen as a plus. He certainly won't upstage Clinton, as was her concern in the hours leading into his 1996 Democratic National Convention keynote when she and Al Gore stalled Bayh's speech until it was too late to carry on the East Coast network affiliates.

Congressional Quarterly's Craig Craw-

ford observed, "Clinton has many reasons to put Bayh at the top of her list. The Indiana Democrat is telegenic, but without the fiery charisma that might upstage her. And he is popular in a red state where he once served as governor. Bayh and Clinton are colleagues on the Senate Armed Services Committee and it was notable that she took him along on her trip to Iraq and Afghanistan in January, making sure to include him in the press conferences after that journey. And it surely helps his chances with her that he opted out of his own run for the presidency."

Beginning, ending with a joke

Evan Bayh's endorsement of the Hillary Clinton presidential campaign began and ended with a joke.

The senators were nearly 30 minutes late when they walked into the ballroom of the Holiday Inn in downtown Washington. They were greeted by a couple dozen journalists, including a bank of television camera crews, and an almost equal number of senate and campaign staffers. The crowd hushed and cameras began to click and whirl as Indiana's former governor stepped to the podium. Sen. Bayh first noted that his wife, Susan, was on hand.

"That reduces the risk of disruptive phone calls," he said in a poke at Republican candidate Rudy Giuliani, who famously interrupted a recent speech to answer his wife's call. Bayh waited a few seconds as several in the audience chuckled appreciatively, and then launched into a 450-word proclamation.

"I'm here today to endorse Hillary Clinton's campaign for the presidency," he said.

"This is not a decision that I have come to quickly or lightly, in fact, because of my respect for other candidates in the field. But more than anything else I have come to this decision because I believe the stakes in this election are profound."



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"I believe the next president of the United States must be experienced and seasoned, must be smart, and must be tough. I believe that Hillary Clinton is all of these things and more."

As Sen. Clinton looked on, Bayh touched on her foreign policy experience.

"I've had the privilege of traveling with her to Iraq, Afghanistan and Pakistan," he said. "I've seen the respect with which she is held by leaders of other countries. I know she has the ability to reach out to other nations and to enlist them in our cause."

He also plugged the Democratic domestic agenda.

"I believe her campaign and administration will target squarely the middle class economic anxieties that effect so many Americans in the heartland where I am from. She will emphasize job creation and fiscal responsibility."

Finally, he insisted,
Hillary will run a bipartisan
campaign and administration.
"She knows that progress in our
system can only come by forging consensus, and she will run a
campaign and administration that
reaches out to not only Demo-

crats but also Independents and reasonable Republicans."

Staffers broke into loud and sustained applause as Bayh backed from the microphone and Sen. Clinton stepped forward. The New York Democrat allowed that she was "a great admirer" of both Evan and Susan "in terms of their commitment to public service and the way that they lead their own lives."

"This endorsement means a great deal to me personally," she said at the beginning of her 580-word speech. She mentioned the six-1/2 years they've served together in the Senate, including time on the Armed Services Committee, and Evan's accomplishments as governor.

"In the last years, working with him on a range of issues, I see the depth of his intellect and his passion for getting it right for America," she said.

"Evan shares my deep frustration with our inability to have a manufacturing policy that works in America. Coming from Indiana, I having grown up in the Midwest, representing upstate New York, he and I have both seen the loss of jobs."

Before offering her thanks for the endorsement, she hinted at the role we might expect for Sen. Bayh in a Clinton administration. "As we know all too well, as difficult as the campaigns are, and they are, the very hard work starts after you win," she said. "And that's when I will

need the steady, experienced guidance of someone whom I admire so much to help me put together an agenda for positive change that can bring people together, get the votes we need to pass it, and then begin to implement it in order to make sure we do continue the progress in America that both he and I believe so deeply in."

Seven minutes into the announcement Clinton

Seven minutes into the announcement Clinton offered Bayh a warm hug and then invited questions. The first few were directed to Hillary, and Bayh waited patiently in the background, smiling in the way senators do when listening to a colleague, until someone finally brought up

the question every reporter had been assigned to ask. "Senator, do you think your colleague from Indiana is vice president material?" Laughter filled the room and Sen. Bayh leaned across Clinton and into the microphone.

"Thank you all for coming," he said to more applause. "Well, I think, you know, that it goes without saying that his record of public service is extraordinary," Clinton said, "and I have the highest personal and professional regard for him."

Later during the Q&A portion, Sen. Clinton said, "It's very significant to have Sen. Bayh's endorsement. I think he will be extraordinarily helpful not only in Indiana but in the Midwest and beyond because of the very high regard that many

people who know him and have followed his career have for him."

Bayh indicated afterward that the Clinton campaign had yet to ask for his help in any specific way. "It's still early," he said. "If they ask I'll be happy to do what I can. I've got a day job that keeps me very busy, representing the people of Indiana. Obviously I'm going to continue to focus on that, that's my top priority. But if they do ask... and it makes sense that I can help, I'd be happy to."

During his own campaign for the nomination, which ended in December, Bayh established an impressive network of friends and supporters in the Midwest and in the key states of Iowa and New Hampshire. Asked if he visualized a role for this group in a Clinton campaign, he said, "Some of my supporters are supporting a variety of campaigns, including Sen. Clinton's. Others are undecided. Of course I will be happy to communicate to them what I think and I'll hope they'll put some stock in my choice."

And the final joke? At the conclusion of the announcement, a reporter asked Hillary to comment on a statement by President Bush that he believes she will win the Democratic nomination. Clinton reacted as if she had been asked to kiss a frog. Laughter again filled the room.

"I'm just proud to have Evan Bayh's endorsement," she replied. �



Susan Bayh greets Sen. Clinton at Monday's press conference. (HPR Photo by Mark Curry)



# OWEY Political Report

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### Two property tax proposals floated as governor mulls options

#### By BRIAN A. HOWEY

INDIANAPOLIS - Two property tax proposals - by the Indiana Farm Bureau and Indiana Realtors - were floated on Monday. But the real drama will come this month.

That's when Gov. Mitch Daniels will weigh in, selecting one of several plans now before him. Several observers HPR has talked with believe that the governor and a rather complex plan Sen. Luke Kenley is currently floating will likely meld together. Look for circuit-breakers, a

shift to sales and income taxes, and moving assessing duties from townships to counties as almost certain hallmarks of any such plan. One source suggested that an income tax increase is giving the governor heartburn. He is said to desire a simplified system.

In addition to the governor and Sen. Kenley, other key players in this process are OMB Director Ryan Kitchell, assistant chief of staff Betsy Burdick, Pat Kiely of the Indiana Manufacturers and the Chamber's Kevin Brinegar.

This plan might come in two phases: the first would shift current local property tax

expenditures - welfare, courts and school general funds - to the state, similar to what Kenley proposed last March.

A long-term approach would include the local government reorganization that is being researched by the Kernan-Shepard Commission. Gov. Daniels has said repeatedly that property tax and government reform are inextricably linked.

The October unveiling is critical to give legislators time to react with their constituents to any plan prior to November's legislative Organization Day.

IFB President Don Villwock called for the shift from local property taxes to the state on Monday, but he was thinking long-term. "Any solution must be permanent, must be substantial, and must be fair," Villwock said. "Relief that is only targeted to one segment of our society and economy cannot and will not be permanent. Farm Bureau and our members are tired of Band-Aid approaches. Farm Bureau is asking the legislature and the governor to work with us to make sure property tax reform is truly permanent, substantial and – most importantly – fair. We know that we cannot do away with property taxes altogether in

the short term. I think that it is still a noble long-term goal that we at Farm Bureau will still strive for, but we need immediate relief today and we need it now."

Farm Bureau specifically suggests that five categories of expenditures currently funded by local property taxes be funded instead by state sources. The five expenditures are the school general fund, which currently is estimated to be about \$800 million; school utilities and insurance expenses from the school capital projects fund, estimated at \$205 million; all remaining welfare levies, estimated at \$350 million; levies used to support local court systems which may be as much as \$350 million; and a set-aside for a new school "rainy day" fund, estimated at \$400 million. When the school "rainy day" fund reaches

> a sufficient level, the plan calls for annual school debt reduction grants of \$400 million. These five categories of expenditure total an estimated \$2.105 billion in property tax liability.

Farm Bureau proposes funding these expenditures by increasing the state personal income tax from 3.4 percent to 4.4 percent, which would raise about \$1.225 billion, and increasing the sales tax from 6 percent to 7 percent, which would raise \$880 million. Not coincidentally, these increases total \$2.105 billion in state revenue. The property tax system, Villwock said, is broken. According to estimates by the

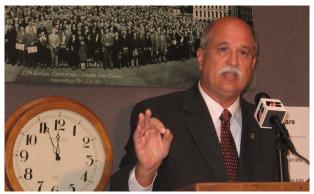
Legislative Services Agency, net

property taxes in Indiana grew between 2006 and 2007 by about \$800 million – an increase of more than 14 percent. This is nearly six times the current inflation rate of 2.36 percent. In contrast, the previous two years saw a combined increase of \$470 million. "It is just not an assessing problem, it is a tax burden problem," Villwock said. "We say enough is enough. We must fix the property tax system."

"We know that we cannot do away with property taxes altogether in the short term," he added. "That is still a noble, long-term goal that we in Farm Bureau will still strive for. I think we need immediate relief today, we need it now, and we can't wait...to get property tax relief."

Villwock told HPR on Monday that he fears Gov. Daniels may be looking at isolating homeowner relief, which he said that shift the burden to business and agriculture. "That would be our worst nightmare," he said. He said the governor is "looking at the assessing process."

Asked about the Chicago City Council pondering an 11 percent sales tax, Villwock said that Indiana's neighbors may also end up increasing sales taxes. "Ohio already does



Indiana Farm Bureau President Don Villwock said it is time to begin seeking long-term property tax solutions. Villwock is shown here during a Statehouse presser on Monday. (HPR Photo by Brian A. Howey)



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that with their local sales taxes. Illinois is bankrupt," he said.

Indiana Realtors unveiled their property tax reform agenda on Monday, a plan that calls for Indiana to eliminate its township assessment system and consolidate layers of local government while, at the same time, reducing reliance on property taxes and replacing them with broadbased taxes centered on an ability to pay. "The current property tax mess is the product of three decades of decisions by public officials in both political parties at both the state and local levels," said Karl Berron, CEO of the Indiana Association of Realtors. "When it comes to property tax reform, we, as Hoosiers, have resisted change for too long; we cannot afford to do so any longer. Realtors are offering a plan that calls on everyone in Indiana to step out of their comfort zone, accept the needed changes and demand reform."

Realtors propose: **Eliminate the township assessment system:** At 1,008, Indiana has way too many assessors. Eliminating township assessors and creating fewer and larger jurisdictions will lead to equitable, fair market value assessments. Consolidate local government: Indiana has more than 2,700 units of local government with the authority to levy property taxes. Consolida-

tion will simplify local government, provide transparency and give local government the capacity to address the problems of today. Cut property taxes: Examples of reasonable and realistic actions include: moving certain levies now supported by property taxes – such as court, school and welfare costs – to the State or restricting a property taxpayer's maximum tax bill to a certain percentage – such as 1% - of their assessed value each year.

Yet to play out will be House Speaker B. Patrick Bauer's rebate scheme, which HPR believes is going to be epically bad politics. Citizens are brandishing pitchforks and want long-term relief, not political games. They are prepared to lash out at the ballot box.

Democratic House sources tell HPR that Speaker Bauer is slowly coming to terms that the current tax system can no longer be sustained politically. As to whether they will have their own plan remains to be seen.

The question HPR has repeatedly been asked is one that will be discussed in a coming Howey newspaper column: Hoosiers are expecting bold, profound solutions they can understand during the 2008 "emergency" short legislative session. For any member of the executive or legislative branch not to understand this is to flirt with political disaster that will cut across ideological and party lines. \*

#### 2008 Indiana Governor

Governor 2008: Republican: Gov. Mitch Daniels,

La Ron Keith. Democrat: Senate Minority Leader Richard Young, Jim Schellinger, Jill Long Thompson. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261.



Horning (L) 38,686. **2004 Results:** Daniels (R) 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,644. 2008 Forecast: Long Thompson picked up the endorsement of the Indiana Joint Board of Retrail, Wholesale and Department Store Union, and the United Transportation Union Local 298. AFSCME Local 446 endorsed her last week. "Jill has proven she is a loyal friend of working families," said RWDSU President David Altman. "All you have to do is look at her record." Schellinger's "listening tour" spent Wednesday in Owen, Greene and Vigo counties. State Rep. Dave Crooks told HPR he has endorsed Schellinger. "People are underestimating this guy," Crooks said. "They've got a real plan of attack coming. I see him as a real dark horse." Crooks said he toured DuBois County with Schellinger and that the candidate was "well received." **Democratic** Primary Status: LEANS LONG THOMPSON. General Status: Leans Daniels.

### 2008 Indiana Congressional

#### Congressional District 2: Republican:

David C. "Chris" Minor. Democrat: U.S. Rep. Joe Donnelly. Geography: South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St.



**MINOR** 

Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. 2002 Result: Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Result:** Chocola 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Result:** Donnelly

103,561, Chocola 88,300.

2008 Forecast: David C. "Chris" Minor, a retired Iraq U.S. Army veteran and current chief of intelligence for the State Department in Baghdad will challenge U.S. Rep.



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Joe Donnelly (Brian A. Howey, HPR). Howard County Republican Chairman Craig Dunn told HPR that Minor, 38, will conduct a campaign from "the sands of Irag," saying he is preparing to return to Baghdad. Dunn said that Minor has lined up an experienced consulting firm from Chicago to help run the race. "The strategy is to make this a national campaign," Dunn said. Currently there are no other Republicans who have declared for the 2nd CD race. A challenge from Minor would be along the lines of U.S. Rep. Steve Buyer, who returned from the 1991 Gulf War and walked his Northern Indiana district, defeating then U.S. Rep. Jim Jontz. Dunn said that Minor is on disability from the U.S. Army with a fused spine. An official announcement is expected later this week. **Status:** LIKELY DONNELLY

Congressional District 3: Republican: U.S. Rep. Mark Souder. Democrat: Michael Montagano. Geography: Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. Media Market: South Bend-Elkhart, Fort Wayne. People: Urban/rural 65/35%; median income \$44,013; Race: 87% white, 6% black, 4.5% Hispanic; Blue/white collar: 36/52% **2000 Presidential:** Bush 66%, Gore 33%.Cook Partisan Voting Index: R+17. 2002 results: Souder 92,566 (63%), Rigdon 50,509 (34%). 2004 Result: Souder, Parra 2004 Results: Souder 171,389 (69%), Parra 76,232 (31%). **2006 Result:** Souder 95,421, Hayhurst (D) 80,357. 2008 Forecast: Montagano has posted an impressive website at: www. montaganoforcongress.com Status: LIKELY SOUDER

**Congressional District 9:** Republican: Open. Democrat: U.S. Rep. Baron Hill. Media Market: Evansville (11%), Indianapolis (23%), Louisville (55%), Dayton, Cincinnati (10 percent). People: urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; 2000 Presidential: Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2004 Presidential:** Bush 59%, Kerry 40%. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). 2006 Results: Hill 110455, Sodrel 100,469, Schansburg 9,893. 2008 Forecast: Several informed and reliable sources tell HPR that Sodrel is preparing to enter this race, possibly as early as next week. Status: LEANS HILL.

### 2008 Indiana Legislative

House District 63: Republican: Mark Messmer. Democrat: DuBois County Auditor John Burger. 2004 Results: Crooks (D) 12,246, McFeators (R) 11,687. **2008 Forecast:** Rep. Dave Crooks won't seek a seventh term. DuBois County Auditor John Burger, a former coun-

## Speaker Bauer's nightmare week

#### By BRIAN A. HOWEY

INDIANAPOLIS - In the space of 24 hours, House Speaker B. Patrick Bauer learned he had two more seats to defend in 2008 - those of State Rep. Dave Crooks and Joe Micon, both who decided to forego re-election in 2008.

Throw in the resignations of State Reps. Bob Kuz-



man and Duane Cheney, and State Rep. Jerry Denbo's pending election to the French Lick Town Board, and right there are five seats he will defend. Of those, only the Cheney seat is a Democratic majority.

Statehouse sources tell HPR that the bleeding is probably not over. They say that State Rep. John Day is leaning toward retirement. Other sources

say that one southern Indiana Democrat is experiencing significant health problems and may not run in '08.

State Rep. Paul Robertson, D-Depauw, has told an HPR source that if Hillary Clinton is the nominee, he won't run in 2008. Robertson's district is 56.1 percent Republican. Republican Tim Hunt is already preparing a challenge there. Republican John Warren is preparing another challenge against Rep. Day in a district that has seen significant voter decline.

"What that means for Pat Bauer with Hillary Clinton and Mitch Daniels on the ballot is that it is all defense. It will be like stretching a gnat's ass over a drum head," said a longtime Statehouse operative.

**There are 25 House** seats where the representative serves a district that is a majority in the other party.

Of the seats vacated by Democratic incumbents, Bob Kuzman's is the best hope for Democratic retention with it being a 52.9 percent Republican district. The Crooks seat is 58.4 percent Republican; Denbo has run in a 59.1 percent Republican district; Micon in a 62 percent GOP district. State Rep. Vern Tincher, who could face Indiana State University basketball hero Bob Heaton (an ex-teammate of Larry Bird's on the 1979 NCAA runnerup), is in a 57 percent Republican district. Freshman State Rep. Dave Cheatham is in a 58.3 percent GOP district. State Rep. Nancy Dembowski's district is 56.7 percent Republican. \*



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ty commissoner, announced on Tuesday he will seek the seat. Burger entered county government by upsetting a very popular commissioner 15 years ago. Crooks said that he will likely endorse Burger but he wanted to let the field to take shape first. Crooks said his decision to retire "had nothing to do with the fear of losing; it had everything to do with the fear of winning." Crooks defeated Ron Arnold with 63 percent of the vote in 2006 despite the fact that it is a 46 percent Democratic district. He said that he wanted to retire from the legislature in 2004 to concentrate on business, but House Speaker John Gregg talked him out of it just hours before Gregg announced his own retirement. Messmer, who announced in August, is a licensed professional engineer and co-owner of Messmer Mechanical in Jasper. **Status:** TOSSUP

### 2007 Mayoral

Anderson: Republican: Mayor Kevin Smith. Democrat: Kris Ockomon. 2003 General Results: Smith (R) 8,947, Rock (D) 7,821. 2007 Forecast: This was expected to be a tight race but it has been relatively quiet thus far. Indiana Democrat Chairman Dan Parker characterized it as a "challenge" for Ockomon. Smith joined Gov. Daniels on Tuesday for an announcement by ACS that will bring 500 jobs to Anderson, though they don't pay nearly as much as the UAW jobs that have left the city. But with the new Nestle plant coming on line, Smith will have some tangible economic gains to campaign on, including the racino expansion at Hoosier Park. Status: LEANS SMITH.

Fort Wavne: Republican: Matthew Keltv. Democrat: Tom Henry. 2003 Results: Richard (D) 27,251, Buskirk (R) 19,701. 2007 Forecast: Kelty hopes to have Fort Wayne firefighters take over city ambulance services and wants to combine city and county emergency dispatchers by giving control to the sheriff (Fort Wayne Journal **Gazette**). Kelty on Tuesday announced his public safety platform, which includes his plans for ambulance service, emergency communications and community-oriented policing. Henry previously said he wants to find a way for firefighters to become certified paramedics, but declined to comment on whether the city should take over ambulance service. Kelty also said he would allow Allen County Sheriff Ken Fries to complete the long-discussed merger of city and county emergency dispatchers by giving Fries authority over its operations. City and county dispatchers work in neighboring rooms, divided by a glass wall. **Status:** LEANS HENRY.

Indianapolis: Democrat: Mayor Bart Peterson. Republican: Greg Ballard. 2003 Results: Peterson (D) 92,763, Jordan (R) 55,354. 2007 Forecast: Ballard said Wednesday that he'd serve a full term and challenged Democratic incumbent Mayor Bart Peterson to make the same pledge. Which he did. "I'm enthusiastically and

unequivocally pledging I will serve a full four-year term if I'm elected November 6th," Peterson said (**Indianapolis Star**). Ballard had speculated that Peterson could end up in Washington, noting Peterson worked for Sen. Evan Bayh when Bayh was governor. Bayh's endorsement of Sen. Hillary Rodham Clinton, D-N.Y., for president has fueled talk that Bayh could end up on a national ticket with Clinton. Ballard told HPR on Wednesday that he will have enough money to run a TV ad campaign in the final three weeks of the campaign. **Status: LEANS PETERSON**.

**South Bend:** Republican: Juan Manigault.



LUECKE

Democrat: Mayor Stephen Luecke. **2003 General Results:** Luecke (D) 10,598, Schmidt (R) 4,188. 2007 Forecast: No Republican has been elected mayor of South Bend since 1967 (Colwell, South Bend Tri**bune**). No Republican has waged a truly competitive race in the mayoral contests since then, except for Carl Baxmeyer, who lost by only about 2.000 votes to Joe Kernan in 1987. There will be a competitive race this time. Republican nominee Juan Manigault is a serious candidate, not a joke, like some of the past GOP challengers. And he will have fund-

ing and an actual organization. How competitive? That will depend on how well Mayor Steve Luecke responds to Manigault's aggressive campaign on crime, tax and economic development issues and then, ultimately, on how Democratic voters respond to Manigault's effort to pry away defectors from the Democratic base. Any Republican must sway a significant number of Democrats in order to win in the strongly Democratic city. The last Republican mayoral winner, Lloyd M. Allen back in 1963 and 1967, won with defections after a big Democratic split in the '63 primary. Baxmeyer came close thanks to another Democratic primary split. Political consultant Chris Faulkner, a former St. Joseph County Republican chairman, has calculated a victory formula based on past election statistics, a determined voter identification and get-out-the vote effort and getting 2,500 usual Democratic voters in city elections to switch this time to Manigault. Mary Downs, who was Kernan's chief of staff when he was governor, has taken over as campaign manager for Luecke. She and St. Joseph County Democratic Chairman Owen D. "Butch" Morgan say they take nothing for granted and have a solid campaign effort under way in traditional Democratic neighborhoods. "If Republicans really care about the west side, why don't they have candidates for the council in the 1st, 2nd and 6th districts?" Morgan asks. Morgan says Democrats will not be outdone by a Republican mayoral candidate who for once has an ambitious voter identification and get-out-the-vote effort. Status: LEANS LUECKE &



# OWEY Political Report

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### THE BOAR'S NEST

## Terrorism expert predicts U.S. school siege

#### By BEVERLY PHILLIPS

The national psychic pain and terror caused by the nearly 3,000 Americans murdered on 9/11 will pale in comparison to what we experience when al-Qaeda attacks our children, according to author and international terrorism expert John Giduck.

Giduck spoke to about 300 police officers this week at an ICJI-sponsored, statewide law enforcement conference in Indianapolis. He is the author of "Terror at Beslan: A Russian Tragedy with Lessons for America's Schools." He spent 20 years in the Soviet Union training with its special forces. He wants American school administrators and teachers to learn from the 2004 Beslan tragedy and the mistakes Russians made when Islamic fundamentalists terrorized, tortured and raped more than 1,200 children and adult hostages over three days. In the end, the siege left an estimated 334 dead, including 186 children. He says educators can also learn from domestic school shootings like Columbine and Virginia Tech.

"Your worst has got to be better than their best. Anyone with a terrorist mindset thinks the same way," said Giduck. He says the primary goal is to be noticed and that means news media coverage. "Al-Qaeda plays the Western news media like a multi-million-dollar ad agency. The Columbine shooters wanted to be more famous than the previous school shooters. Anyone with a terror mindset understands the news media reports events that have the greatest psychological devastation," he said.

During Giduck's four-hour presentation, he emphasized that terrorists are constantly refining their techniques. Seung-Hui Cho of the Virginia Tech massacre had studied Columbine while in high school, even writing a paper on it. He wanted to learn from Harris and Klebold's mistakes. including 90 homemade bombs that failed to detonate, and better ways to fortify the building.

Just like Virginia Tech one-upping Columbine, al-Qaeda "knows they have to outdo the last big score ... they crave a big body count." Giduck says law enforcement and school administrators make the same strategic mistake that the military makes. They, unlike terrorists, are "always

preparing to fight the last war ... all preparing for the last school tragedy."

Giduck believes school-based police are the best line of defense to thwart a school siege, but notes America's cultural resistance to properly outfitting school officers with body armor and weapons. Giduck advocates, "full tactical gear with combat helmet ... 500 rounds in a backpack that goes with you everywhere."

"Osama Bin Laden has pledged before the Jihad is over, 4 million Americans including 2 million children will be killed. It's a brag he's made to the Muslim world that he cannot afford not to try," Giduck said. He notes that if Bin Laden makes good on only 1% of this threat, it represents 20,000 children. Two children died on 9/11.

"Bin Laden has publicly stated, 'Everything we do in Russia today, we will do to America," Giduck said. He



thinks federal legislation must be passed for law enforcement to have immunity from criminal and civil prosecution if involved in a terrorist siege. "The harsh reality is law enforcement will have to do terrible things."

He says Americans are naïve and that "when confronted with an international terror siege on our soil, we will think we can save everyone. It's a good thing that we value life, but we can't allow it to paralyze us."

According to Giduck, when, not if, a terrorist school siege happens in America, there will be no peacefully negotiated resolution.

He notes police hesitancy in the Beslan siege gave terrorists time to wire the building with bombs. When al-Qaeda attacks a school in America, "They will make demands that cannot be met" such as President Bush resigning or immediate withdrawal of all military in Iraq and Afghanistan. And they will "negotiate" only long enough to get media attention and fully put their plans in place for mass murder. Otherwise they face humiliation if captured.

"They are predators. They do not want a battle. They will die or make us kill them. Cops must think like soldiers ... This is this the sickening reality of counterterrorism," Giduck said. <

Got a tip for the Boar's Nest? Send it to: phillipscgroup@comcast.net



## OWEY Political Report

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### **Democratic frontrunners pass** on 2013 Iraq pullout deadline

#### By MARK CURRY

The question from NBC's Tim Russert during

Wednesday's Democratic debate in New Hampshire was simple: Will you pull out U.S. troops in Iraq by 2013?

"I think it's hard to project four years from now," said Sen. Barack Obama.

"It is very difficult to know what we're going to be inheriting," added Sen. Hillary Clinton.

"I cannot make that commitment," said former Sen. John Edwards of North Carolina.

U.S. Sen. Chris Dodd differed. "I'll get the job done," said Dodd, while New Mexico Gov. Bill Richardson agreed.

### **Gingrich, Romney** upset with GOP

Both Newt Gingrich and Mitt Romney are unhappy with their own Republican Party, it seems. The Associated Press reported Romney "promised to return a wayward GOP to its core principles" at the Mackinac Republican Leadership Conference.

"Change must begin with us," Romney, a former Massachusetts governor who is running a strong campaign for the presidential nomination, said.

Romney argued that Republicans share the blame with Democrats for the nation's woes. He bemoaned excessive spending, insecure borders and ethical lapses. "When Republicans act like Democrats, America loses," he said.

During an interview with ABC's "Good Morning America," Gingrich said that top-tier Republican presidential candidates are making a mistake by skipping a forum focused on issues of importance to black voters, AP reported.

"I'm puzzled by their decision. I can't speak for them. I think it's a mistake. I wish they would change their minds - they still have a few days - and I wish they would in fact go to the debate Thursday night," said Gingrich. The top four candidates in the GOP race - former New York Mayor Rudy Giuliani, former Tennessee Sen. Fred Thompson, Arizona Sen.

John McCain and Romney - all declined to participate in the forum citing scheduling conflicts and fundraising pressures, according to AP.

#### **Union delays endorsement**

The Service Employees International Union has postponed its presidential endorsement until next month, underscoring divisions within the powerful labor group over Hillary Clinton, sentimental favorite John Edwards, and latest star Barack Obama, according to a

report published by the Boston Globe.

Each of the top-tier candidates has support within the 1.8-million member union that includes janitors, hotel workers, and truck drivers, the Globe stated.

#### **Republicans differ on Iran details**

With the Republicans finding themselves mostly in agreement on Iraq policy, Iran is turning into a place to show how, if elected to office, they would handle the challenges posed by its activities in Iraq, its contentious nuclear program and its support for terrorism, Wednesday's Washington Times stated.

While all of them take a get-tough approach, they differ on using military might. According to the Times report, Fred Thompson recently called for the U.S. to use its influence to stop World Bank funding to Iran, while Romney began running a radio ad in early primary states this week arguing Iranian President Mahmoud Ahmadinejad should be indicted for crimes under the Geneva Conventions, Giuliani said military action was in the cards if Iran appeared close to achieving nuclear weapons, and Gingrich has said the U.S. must pursue a diplomatic strategy, not a military



PRESIDENTIAL

Politics 2



Republican presidential candidate Rudy Giuliani during his NRA speech (above) and at a March fundraiser in Indianapolis, where HPR influenced his campaign.

#### As I was listening to Rudy, my cellphone rang ...

#### By BRIAN A. HOWEY

Last March, high up above Indianapolis in Tim Durham's fancy corporate digs, I was mortified as I listened to Republican presidential candidate Rudy Giuliani. It wasn't anything he was saying. I forgot to turn my cell phone off. And it



# HOWEY Political Report

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rang. As I began to turn several shades of crimson, Giuliani stopped his remarks and made a wisecrack at my expense: "Go ahead and take the call and tell her you'll be home for dinner," a slightly perturbed Giuliani said. Everyone in the room laughed. Now beet red, I made a bee-line for the door. Steve Goldsmith rolled his eyes.

When I got out into Tim Durham's plush lobby, I answered the phone. It was my mother. "Hello, dear," I whispered. "I was listening to Rudolph Giuliani. Would you like to say hello?" My mother declined. She was about to take a journey to London, Ohio. I urged her to have a safe trip and said, "I love you and I'll give you a call when I'm finished, alrighty? Bye-bye. Talk to you later, Mom. I love you."

As I made my way back to Giuliani's speech, one of his body guards, stopped me. "Did you turn that thing off?"

**I sure did, I assured him.** I understand that you just can't have errant cell phone calls interrupting speeches by national political figures, I told the brooding body guard. He nodded his head warily and allowed me to re-enter. As I passed by Goldsmith, I made sure my cell phone was turned off.

Then came this past week. I now believe that I have influenced Giuliani's presidential campaign with my actions. Speaking before the National Rifle Association,

Giuliani's cellphone rang. He didn't snuff the call like I did, or make a beeline out of the room. He took the call. It was from his wife. "Hello, dear," Giuliani said. "I'm talking to the members of the NRA right now. Would you like to say hello?" Rudy listened for a spell, chortled, and then said, "I love you, and I'll give you a call as soon as I'm finished, OK?"

Mrs. Giuliani was headed to London (England). "OK, have a safe trip," the tough-guy former New York City mayor said. "Bye-bye. Talk to you later, dear. I love you."

Wow, what a family man. What a syrupy moment. And before all those AK-47 toters. Made you kind of forget all those photos of Mayor Giuliani dressing in drag, or living with that gay couple, or that his kids won't vote for him.

I think the mayor was following my lead. He saw what it did last March in Indianapolis. A cell phone call during a big speech breaks the ice, as long as the pontificater isn't heard saying something like, "The check's in the mail, asshole; never call me again." It allows for humor to intervene. It gives the speaker a chance to recalibrate his pace of the speech ....

(HPR's phone rings to the tune of Beethoven's 9th). Sorry, I have to take this call: "Hello, Barack, how's it goin' my man?" ❖

#### 2008 State Presidential Polls

Iowa (R) Strategic Vision ARG	<b>Date</b> Sept. 21-23 Aug. 26-29	<b>Romney</b> 30 27	<b>Giuliani</b> 17 17	Thompson 13 13	<b>McCain</b> 6 5	<b>Huckabee</b> 8 14
New Hampshire (R CNN/WMUR	Sept. 17-24	25	24	13	18	3
<b>South Carolina (R)</b> LAT/Bloomberg	Sept. 6-10	9	23	26	15	6
<b>Michigan (R)</b> ARG	Sept. 1-4	39	13	12	9	4
<b>Iowa (D)</b> Strategic Vision ARG	<b>Date</b> Sept. 21-23 Aug. 26-29	Clinton 24 28	Edwards 22 20	<b>Obama</b> 21 23	Richardson 13 13	
Strategic Vision	Sept. 21-23	24	22	21	13	
Strategic Vision ARG  N. Hampshire (D)	Sept. 21-23 Aug. 26-29 Sept. 17-24	24 28	22 20	21 23	13 13	



# WEY Political Report

Indiana

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#### **Gary Gerard**, Warsaw Times-Union

- Presidential hopeful Hillary Clinton was speaking at a \$100-a-plate fundraiser at Town Hall near New York's Times Square. She was talking about Vice President Dick Cheney's visit to the Capitol earlier in the week to shore up support among Republicans for W's Iraq plans. "Vice President Cheney came up to see the Republicans yesterday. You can always tell when the Republicans are getting restless, because the Vice President's motorcade pulls into the Capitol, and Darth Vader emerges,"

Hillary said. Ah, what a brilliant riposte. Hillary

U.S. Congress. .

is a veritable paragon of the art of civil public discourse. She went on, "I'm not invited to their meetings and I don't know what he says or does, but all the brave talk about bringing our troops home, and setting deadlines, and getting out by a certain date just dissipated." She was referring specifically to Senator Jim Webb's legislation to limit troop deployments, which failed Wednesday in the Senate by a vote of 56-44. It must be tough for Hillary these days with her party having a majority in both houses of Congress and all. Perhaps she can explain why the only political entity with lower approval ratings than W's is the

David Brooks, New York Times - In the beginning of August, liberal bloggers met at the YearlyKos convention while centrist Democrats met at the Democratic Leadership Council's National Conversation. Almost every Democratic presidential candidate attended YearlyKos, and none visited the D.L.C. At the time, that seemed a sign that the left was gaining the upper hand in its perpetual struggle with the center over the soul of the Democratic Party. But now it's clear that was only cosmetic. Now it's evident that if you want to understand the future of the Democratic Party you can learn almost nothing from the bloggers, billionaires and activists on the left who make up the "netroots." You can learn most of what you need to know by paying attention to two different groups — high school educated women in the Midwest, and the old Clinton establishment in Washington. In the first place, the netroots candidates are losing. In the various polls on the Daily Kos Web site, John Edwards, Barack Obama and even Al Gore crush Hillary Clinton, who limps in with 2 percent to 10 percent of the vote. Moguls like David Geffen have fled for Obama. But the party as a whole is going the other way. Hillary Clinton has established a commanding lead. Second, Clinton is drawing her support from the other demographic end of the party. As the journalist Ron Brownstein and others have noted, Democratic primary contests follow a general pattern. There are a few candidates who represent the affluent, educated intelligentsia (Eugene Mc-Carthy, Bill Bradley) and they usually end up getting beaten by the candidate of the less educated, lower middle class.

That's what's happening again. Obama and Edwards get most of their support from the educated, affluent liberals. According to Gallup polls, Obama garners 33 percent support from Democratic college graduates, 28 percent

> from those with some college and only 19 percent with a high school degree or less. Hillary Clinton's core support, on the other hand, comes from those with less education and less income — more Harry Truman than Howard Dean. Third, Clinton has established this lead by repudiating the netroots theory of politics. As the journalist Matt Bai makes clear in his superb book, "The Argument," the netroots

emerged in part in rebellion against Clintonian politics. They wanted bold colors and slashing attacks. They didn't want their politicians catering to what Markos Moulitsas Zúniga of the Daily Kos calls "the mythical middle." But Clinton has relied on Mark Penn, the epitome of the sort of consultant the netroots reject, and Penn's approach has been entirely vindicated by the results so far. In a series of D.L.C. memos with titles like "The Decisive Center," Penn has preached that while Republicans can win by appealing only to conservatives, Democrats must appeal to centrists as well as liberals. In his new book, "Microtrends," he casts a caustic eve on the elites and mega-donors of both parties who are out of touch with average voter concerns. Fourth, the netroots are losing the policy battles. As Matt Bai's reporting also suggests, the netroots have not been able to turn their passion and animus into a positive policy agenda. Democratic domestic policy is now being driven by old Clinton hands like Gene Sperling and Bruce Reed. .

Matt Tully, Indianapolis Star - Indiana Democratic Party Chairman Dan Parker is highly skilled at the art of putting on a brave face. He did so this week when I called to talk about the somewhat surprising decision by his mentor -- Sen. Evan Bayh -- to endorse Sen. Hillary Rodham Clinton's presidential bid. "The first thing I'll say is, I have faith in Evan Bayh's judgment," Parker said. Bayh, he said, "has the best interests of Indiana and the country" in mind and did not "come to this decision quickly." He also predicted that Hoosiers who may not be Hillary Clinton fans "are going to give her a second look" if she claims the Democratic nomination. "She is ready to do the job on Day One," Parker said, echoing words Bayh used in his endorsement statement. I told Parker he was in fine spin mode, as it's clear the last thing many Indiana Democratic Party insiders want is Clinton at the top of the ticket next year. The reasoning is, Clinton will be an especially divisive figure in Republican-leaning Indiana, and a trickle-down effect could hurt Democratic chances of reclaiming the governor's office. I've never agreed with that argument. Democrats, after all, did win four consecutive races for governor, from 1988 to 2000. .



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## Shepard gauges reform ideas in Evansville

EVANSVILLE - Indiana Chief Justice Randall Shepard visited his native Evansville on Wednesday to hear ideas on how to improve local government services

statewide (Evansville Courier

& Press). The Civic Center's City Council chambers was nearly



full for Shepard's forum, but most speakers were elected officials and candidates.Randall T. Shepard The co-chairman of the Local Government Reform Commission, fielded suggestions from local officials and residents Wednesday. Local efforts to merge city and county governments have been dormant of late, but some comments revisited pro-merger themes, such as the argument that existing government structure is obtrusive and hinders economic development. "Having a single point of leadership in local government is really critical," said Vanderburgh County Councilman Lloyd Winnecke, R-4th District. Current local government framework "is confusing for people coming in who aren't familiar with this area," said City Councilman Jeff Kniese, R-1st Ward. Shepard is co-chairman of the state commission on local government with former Gov. Joe Kernan, who wasn't present at Wednesday's forum. The Shepard-Kernan commission is weighing proposals to, among other things, pare down local government offices and consolidate libraries and small school corporations. State Rep. Dennis Avery, D-Evansville, said township-level government is "a throwback to horse and buggy days," but eliminating townships would mean their services must be picked up elsewhere. Taxation issues were on several officials' minds.

Evansville City Council President Keith Jarboe, D-at-large, said the state should look at other ways besides property taxes to fund local governments and schools. Property tax relief approved during the last General Assembly session was "a Band-Aid when we need a tourniquet," Jarboe said. Avery said local governments do have authority to generate revenue in some other ways, such as passage of a local option income tax. County Council President Marsha Abell, R-at-large, called for the state to pick up the costs of running jails and courts. Evansville Mayor Jonathan Weinzapfel, a Democrat, told Shepard citizens often have difficulty discerning who is responsible for fluctuations in their property taxes, and he called for "a clear delineation" of such responsibility.

## Jury deliberates on ex-councilmen's fates

HAMMOND - Jurors deliberated for almost seven hours Wednesday without reaching a verdict in the trial of three Lake County political figures charged in connection with allegedly fraudulent land deals (**Post-Tribune**). A weary-looking group of a dozen friends and relatives of Lake County Councilman Will Smith and co-defendants Roosevelt Powell and Willie Harris remained in the gallery when Judge Philip Simon dismissed jurors around 7:30 p.m.

## IDEM criticized for US Steel permit

GARY - Just five days before their comment period expires,
residents spoke out Wednesday at
the second and final hearing about
U.S. Steel Gary Works' wastewater
discharge permit renewal (Times
of Northwest Indiana). Attendants
criticized the Indiana Department
of Environmental Management for
relaxing environmental guidelines and
U.S. Steel for not going beyond those
guidelines and trying to eliminate discharges altogether.

## St. Joe County budget will force layoffs

SOUTH BEND - The St. Joseph County Commissioners voted 2-1 to put the cap on the county budget process Wednesday, but the final package was far from what had been hoped for when deliberations began a month ago. Faced with declining revenues, county officials had to make severe cuts in most county departments (South Bend Tribune). "It was not an easy process," said Commissioner Robert Kovach, D-3rd. Because of the revenue situation, Kovach said, the budget makers started by determining what was needed to maintain an acceptable level of service while meeting rising health care and other costs. "Initially, the council and commissioners were hoping to give pay raises," said Commissioner President Steve Ross, D-2nd, who voted approval along with Kovach. "Instead, we gave layoff notices."

## Bartholomew County taxes going up 25-30%

COLUMBUS - Property tax bills in Bartholomew County will go up an average 25 to 30 percent - not 8 or 9 percent - according to a "rough" prediction by County Auditor Nancy McKinney (**Columbus Republic**). Tuesday, County Assessor Tom Owens predicted an 8- to 9-percent hike in the average bill. Both predictions were presented with the understanding property owners' bill amounts would vary between neighborhoods.

## Website set up for proposed intermodal

LaPORTE - County economic-development leaders launched a website Monday outlining the economic benefits an intermodal transportation facility could bring to La Porte County. The site, www.lcintermodal.info, also informs residents about the process required to approve and begin development of such a facility.