



# Shovel ready: U.S. 31 dividend

*The Major Moves gambit begins its political payoff*

By **BRIAN A. HOWEY**

KOKOMO - Everyone knew a day like this would come this fall. It's been more than two years since Major Moves passed the Indiana General Assembly and now 49 days away from facing the voters for re-election, Gov. Mitch Daniels was slinging dirt. Not in campaign ads, mind you, but tossing a silver shovel full of Crosby-Brookston soil on the abandoned Henderson homestead just east of Kokomo. In a few years, this will be the new U.S. 31 freeway.

Five hours earlier, he had done the same thing up at Lakeville. Just driving to these places from Broad Ripple, the trip gave witness to the new two overpasses



and round-abouts that are being built on Keystone through Carmel on SR431 between U.S. 31 and I-465. Essentially,

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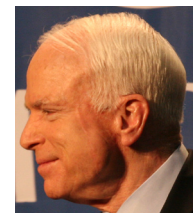
## The McCain makeover

By **SHAW FRIEDMAN**

LAPORTE - Forget lipstick on a pig. How about the greatest makeover? In the wake of Monday's meltdown that witnessed the bankruptcy of Lehman Brothers, the fire sale at Merrill Lynch and the near collapse of other blue chip financial firms, a nation of investors wonders who is best positioned to right the ship?



The effort in recent weeks to try to make over John McCain and his running mate Sarah Palin as populist friends of the little guy sounds great, but runs against recent history, particularly when one realizes how far



“Our economy, I think, still, the fundamentals of our economy are strong, but these are very, very difficult times.”

- U.S. Sen. John McCain on Monday after Bloody Sunday



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**Brian A. Howey, publisher**  
**Mark Schoeff Jr. Washington writer**  
**Jack E. Howey, editor**  
**Beverly Phillips, associate editor**

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### HOWEY POLITICS INDIANA

PO Box 40265  
Indianapolis, IN 46240-0265.

### Contact Us

**www.howeypolitics.com**

bhowey2@gmail.com

Main Office: 317-202-0210.

Howey's Mobile: 317-506-0883.

Indianapolis Fax: 317-254-0535.

Washington: 202-256-5822.

Business Office: 317-631-9450.

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McCain's Straight Talk Express has run off the rails. Despite McCain railing against "greed by some based in Wall Street" and vowing "we have got to fix it" his record of reflexive support for various interests on Wall Street tells a very different story.

It was his own economic advisers who are responsible in many ways for what the Washington Post dubbed "the gravest crisis in modern times." Some of his economic advisers helped create the housing crisis, some abuse corporate loopholes to conceal billions in corporate profits while others stubbornly refuse to admit anything is wrong with the country's economy.

**The number** one portrait hanging on McCain's economic wall of shame has to belong to former Texas Sen. Phil Gramm. Recently, he called America "a nation of whiners" who are in a "mental recession." A key economic guru for McCain until he stepped down recently, it was Gramm who was most responsible for gutting a system of regulation of the financial markets that served this country pretty well since the Depression.

As author of the Gramm-Leach-Bliley Act, Gramm's bill destroyed the Depression-era barriers to mergers between brokerage firms, banks and insurance companies. As the Nation wrote, that act "effectively ended significant regulation of the financial community." After leaving Congress, McCain's econ guru Gramm lobbied his former colleagues from his lofty perch at UBS ("You Be Stuck") and was successful at getting Congress to roll back strong state rules that sought to stem the rise of predatory tactics used by lenders and brokers to place homeowners in high cost mortgages. McCain also has voted against discouraging predatory lending practices.

**Essentially a de-reg** adherent during his years in Congress, it's humorous to see the makeover being attempted by McCain's consultants. While the new populist McCain rails

against "golden parachutes" given to corporate CEO's, his top economic adviser Carly Fiorina walked away from Hewlett Packard with \$21 million in severance, which along with \$21 million in stock options brought her \$42 million.

In an op-ed in the Wall Street Journal, McCain and his running mate railed against lobbyists calling them "primary contributors" to the mortgage crisis, yet one of these lobbyists is McCain's own campaign manager Rick Davis, who led an advocacy group on behalf of Fannie Mae and Freddie Mac designed to stave off increasing regulation of those two entities. Davis was a staunch opponent of even mild regulation of Freddie and Fannie even after a major accounting scandal in 2003 resulted in a \$400 million fine for Fannie.

McCain economic adviser Don Luskin minimizes the current economic straits of the country, saying that "things today just aren't that bad" and everyone "should quit doling out that bad economy line." In a Washington Post op/ed just this past Sunday, he wrote that "we have surely become a nation of exaggerators."

Rather than spouting vague generalities on the need for reform of markets, Sen. Obama has actually proposed tough new regulation of investment houses, mortgage brokers and hedge funds. He's proposed streamlining the overlapping regulatory agencies and creating a commission to monitor threats to the financial system and report to the White House and Congress.

**McCain's ad** entitled "Crisis" actually claims he and Sarah Palin will support "tougher rules on Wall Street to protect your life savings." McCain's own record over a quarter century suggests just how hostile he has been to tough regulation and his economic advisers were in the forefront of the effort to gut regulatory structures that had served the country well.

It was only last March that McCain told the Wall Street Journal



that he was “fundamentally a deregulator.” Now with our financial system in meltdown, he is a Johnny-come-lately to the notion of strong regulation and there is no indication his own advisers have given up their “laissez-faire” approach to regulating markets.

**With billions in shareholder value lost every day and pensions and life savings affected by greed and abuse on Wall Street, voters may want the “real deal” when it comes to imposing restraint and regulation on financial institutions run amok. John McCain is a newcomer to the regulation party, whereas Barack Obama will have no**

similar hesitation in advocating new rules and enforcement. We’ve seen the havoc that has been wreaked far beyond Wall Street in recent days. With job losses on the rise, foreclosures hitting another record in August and the threat of more taxpayer bailouts of these financial giants, voters will demand real answers and accountability and John McCain’s 11th hour conversion as a born-again regulator is likely to be seen as just another political ploy. ❖

**Shaw R. Friedman is a regular contributor to Howey Politics Indiana and is former legal counsel to the Indiana Democratic Party .**

## Major Moves, from page 1

the northern, central and southern terminals of the freeway are beginning to take shape. The 38 stoplights, five rail crossings (and two police speed traps) impeding traffic flow from South Bend to Indianapolis are doomed. Daniels talked of grown men literally crying at the idea that such a freeway would be built. Gary Carlisle, who will cede property that had been in his family since 1946, stood in his bib overalls at Kokomo, watching the dirt fly. It was a day he never thought he’d see.

**Daniels explained,** “I ran into Gary Carlisle. I always like to go find an old-timer, sorry Gary, who probably knows history. And I asked ‘How long do you remember people talking about a free-flowing U.S. 31 and not having to enjoy the journey through Kokomo? Gary said that when he hired in at Chrysler in 1960 they were talking about it.”

When he ran for governor in 2003-04, Daniels recalled a conversation he had with an INDOT employee at West Lebanon. “It’s a joke you know.” the employee told him. “All these roads they say we’re going to build. We’re a billion short. The politicians are just kidding everybody.”

**Daniels said he went** home and studied the situation. “He was right,” the governor said. “This is the problem we set out to solve and with some good luck along the way we did ... \$4 billion of new money for Indiana without a penny in taxation, without a penny of borrowing left to these young people over here” he said pointing to the Taylor High School pep band. “All of it to be reinvested and buying new public infrastructure for this state’s longterm future.” Daniels noted that since Major Moves passed, 42 states have increased gas taxes. “Imagine that in the era of \$4 gas, that’s how desperate they are. America needs to



invest in its infrastructure.”

In between Lakeville and Kokomo, the governor stopped at the Grissom Aeroplex at Peru. A generation ago this city of 12,000 had been a rail center and an Air Force town. The C&O and N&W pulled up track in the 1980s and in 1991 came the body blow. The Air Force announced it was leaving, turning the 2,000 active personnel base into a tiny reserve unit. The recovery has been fitful, as Peru lost jobs and wealth and had to rely on a new state prison at the Aeroplex to begin the revival. Gradually, about 40 companies with about 3,000 employees have settled on the former air base.

**At this stop,** Daniels celebrated the Pentagon’s decision to allow “dual use” so that civilian and business aircraft can use the installation still operated by the Air Force. “Civilian and business aircraft can land there without question, without pre-planning,” Daniels said. “That’s the longest airstrip in Indiana. Now you think of the economic possibilities: Any airplane in the world can land there along an interstate quality road. That’s going to be a job magnet. This road and the fact that goods can leave there and not spend a leisurely hour getting through Kokomo will be a huge, huge part of it. This highway will connect to others south of here. We cannot know what opportunities those will create, but those opportunities will multiply fantastically. Indiana will be a much greater and prosperous state.”

**State Sen. Thomas Weatherwax** calls the Aeroplex “the gateway to the world. This is an asset that we’ve tried to get into the world economy.” He noted that Indiana exports increased by 14 percent last year.

Major Moves was the most intense political battle of Daniels’ first term. It barely survived a partisan House vote after Speaker B. Patrick Bauer cast the issue in a spate of nationalism, declaring that “foreigners” could own the Indiana Toll Road. Daniels called it “asset management”



and tried to make the case that people living in places like Michigan City, South Bend and Elkhart would eventually have a freeway to connect to points south, east and west. Democratic leaders acknowledged to HPI at the time that the issue took a partisan turn because Democrats feared the influx of political money coming into Republican coffers.

**In his re-election bid,** Daniels has won a number of union and building trade endorsements from traditionally Democratic unions in a large part due to Major Moves. It was never more evident than at the Jefferson-Jackson Dinner last May where two key union sponsors - Jay Potesta and Tommy O'Donnell - had sponsorship banners hovering above the heads of Hillary Clinton and Barack Obama while both were backing Daniels in large measure due to the job creation spurred by Major Moves. Daniels has vastly out-raised Democratic challenger Jill Long Thompson, who, ironically lives near Argos just off U.S. 31. One of the biggest political risks is about to produce not only political dividends, but greatly upgrade the state's infrastructure and eventually, create a new generation of jobs.

Thompson blasted Major Moves during her debate with Daniels Tuesday night in Merrillville. She called the toll road lease "a sale" and added, "I believe the privatization of the Toll Road was a major mistake. I would certainly stop the rampant privatization that has been a major characteristic of his time as governor." At the same time, she accused Daniels of losing 60,000 jobs, though the Louisville Courier-Journal reported there are 27,000 more jobs now than when Daniels took office. The IU Kelley School of Business said in a report last month that Indiana is nearing its historic high of 3 million jobs.

**"He never blinked.** He never wavered because he knew that this was going to be something that was going to change the landscape of Indiana," State Sen. Jim Buck said as he introduced Daniels. "If you look at all the

major corridors, this one is instrumental in bringing more jobs to our community."

During the ride back to Indianapolis in the governor's Chevy Tahoe, we asked Daniels how many jobs Major Moves has provided to date, and how many more would come. Daniels explained, "The immediate effect is construction jobs and they're having trouble filling those too, by the way. It's another good example of a good thing that is wide open and we need to do a better job with young people and training them. Nothing is more frustrating to me to work hard on a big project - take BP, the biggest project in the state - and many of the workers who are coming are from other states because we couldn't fill them with Hoosiers. The immediate effect in the first couple of years is going to be strong demand for skilled construction and the professional services that go with it."

**So while the jobless rate** went from 5.7 percent in June to 6.3 percent in July, there are thousands of jobs that have gone unfilled because of a lack of a trained workforce.

It is an ideological clash that polls suggest Daniels is winning. The news cycle that began Wednesday evening and extended into today covered these three events in the U.S. 31 corridor. A new wave of TV ads that will tout the coming of the freeway and more dirt to be tossed on the Hoosier Heartland Corridor stands to evaporate the political risk that flared in the Statehouse two years ago.

There are still challenges. Kokomo Mayor Greg Goodnight believes the new bypass "can be an asset if we do things properly."

That means zoning to prevent the urban strip mall sprawl that engulfed the old Kokomo bypass. The Democratic mayor also sees an opportunity at the Grissom Aero-plex if Howard, Miami and Cass counties adopt a regional approach and make it the area's air hub. ❖



## Daniels talks jobs, training and politics

By **BRIAN A. HOWEY**

KOKOMO - This interview was conducted with Gov. Mitch Daniels en route from Kokomo to Indianapolis Wednesday afternoon.

**HPI:** Early in the administration, we talked about the potential of a recession coming and we've had a wild year and yet you come out of it with an AAA bond rating but also a higher jobless rate. Walk me through what you've experienced this year.

**Daniels:** Indiana's economy has been pretty resilient. Just three months ago unemployment was 4.6 percent, which some economists call full employment. Then the RV and automotive, but especially RV,

had three sledge hammer hits, highly localized to the Elkhart County area. It's pushed us up. State revenues have slowed down but they're still growing. Slowly. But keeping this year's budget under control is going to require us to watch every penny. We're just watching it month to month. The personal income, which is how we know how regular folks are doing and small business is doing has been OK during the first three months of this fiscal year. It's still growing about 4 to 5 percent as I recall. That is subject to change. What has slowed down is gaming and corporate. Businesses aren't making as much money. I can't predict what the national economy may do to us next. I can tell you this, if things stabilize going forward, our biggest issue is going to be a worker shortage, not a job shortage. Right now there are tens of thousands of jobs waiting in Indiana. Look at our WDW website which is connected to job-wanted postings. The last I looked, there were 16,000 on that site alone. Even up in Elkhart, where we have all these people displaced by the screeching halt of the RV sales, there are 900 better-paying jobs waiting in next door Warsaw. In orthopedics, in just that one industry. I was talking to a gentleman in Warsaw who teaches technical skills at IVY Tech and I said, "Get ready for a lot more students" because we're going to have a lot of people who are going to move from one thing to the next. You can't be stapling seat cushions into an RV



one day and start machine tooling parts to an artificial hip the next. I ran into a guy up there at Grissom (Daniels searches his pockets for collected business cards) who has a machining business who says he can't get enough workers. He said they can't train a machinist overnight. I said, "How long does it take" and he said it takes four years to get that training experience. Also, when you think of the demographic, we've got a lot of workers nearing the retirement age. And the way I look at our economy now is like this: We have made dramatic improvements - we're never done - in most of the engines you want to be competitive. All of the elements of cost - tax, workers, facilities, cost of regulation, workers comp - we're the best outside the Sunbelt right now. Our litigation climate is second best in America. Clearly infrastructure - the things we've been talking about all day today - which works its way back to costs, the dimension we really have to talk about next, the one that could really limit our possibilities is matching worker skills to jobs that would like to come here. You can already see it. There are a thousand jobs waiting, a thousand able workers but they're not ready.

They don't have the right training. We have to get better at addressing the mismatch between skills and needs and to an extent geography.

**HPI:** One of the things your opponent has been saying is that she wants to save every Indiana community. I question whether that is possible. Things shift, from the rivers, to the railroads, to the state highways, to the Interstates, to the Internet. You just kind of touched on that: the jobs might not be in Anderson and Muncie in the next couple of decades, they may be in Greensburg.

**Daniels:** I say it this way. We don't give up on any community because there has never been a time when it is more possible to locate a business where they want it. As long as you can

plug a business into broadband and in some of our smallest towns you can serve world markets thanks to broadband, Internet and FedEx. So we don't give up on anywhere. The second thing I would say is I especially don't give up on towns that have been traditionally strong. There's usually a good reason that they were. Anderson is going to have a great near-term future. Nestle has already done two big investments. You watch that Flagship Industrial Park. There are going to be people who live in Indianapolis and com-





mute out more easily than they commute in. You will hear about a very important announcement about Muncie. It's a little like Grissom or Fort Ben. When there is a loss, there is also an opportunity. I mean Anderson is right on an interstate and Muncie right off. They have the advantages they always have had. It will just be a different kind of business. The nature of the business has got to change. To sit back and wish for the good ol' days is a stretch. [private]

**HPI:** In 2006 when you tried to get Major Moves passed, you called it the jobs bill of a generation. Walk me through where we are in that sector now, how many might be employed next year or by 2010 when U.S.31, Heartland, I-69 are fully underway?

**Daniels:** The immediate effect is construction jobs and they're having trouble filling those, too. It's another good example of a good thing that is wide open and we need to do a better job with young people and training them. Nothing is more frustrating to me than to work hard on a big project - take BP, the biggest project in the state - and many of the workers who are coming are from other states because we couldn't fill them with Hoosiers. The immediate effect in the first couple of years is going to be strong demand for skilled construction and the professional services that go with it. We saw that today with those INDOT engineers and designers. The point I made to people in South Bend is businesses don't wait for the ribbon cutting to start coming or scoring investments. It's the certainty of knowing there will be this 31, there will be a Hoosier Heartland Corridor, there will be the Fort to Port. At the moment that it became clear because we had money in the bank and shovels in the ground, you'll start to receive more and more inquiries. We're already getting inquiries from businesses who know a new piece of infrastructure is going to be available to them for the long term.

**HPI:** I reported in Elkhart during the severe recession of the early 1980s and the mantra then was we had to diversify the economy. Fast forward a generation and there wasn't diversification. Miles Laboratories receded and we ended up with even more RV. (Elkhart County Councilman Jon) Letherman was just telling me that they really have to push for a regional approach with St. Joseph, Marshall and Kosciusko counties. Is that going to be a goal of a second Daniels term, if you're re-elected?

**Daniels:** That was the goal of the first term and Jon is exactly right. There have been a host of regional economic development operations and some that were there in name only and now operating that way. It has to be that way. The worst thing is to submit two or three losing bids when you could have gotten together and submitted one knockout winning bid. And I would not be too harsh. Right up until the door slammed on \$5 diesel fuel and lack of credit for buyers, the RV industry had some of

the best years it ever had. It's hard for me to blame folks who were in the boom that they didn't move away from those industries.

**HPI:** What kind of feeling do you get knowing that 15 months ago you broke ground on Getrag (can be seen out the window as we drove down U.S. 31) and now you can see it glistening in the sun?

**Daniels:** How far we have to go and how many of those it takes in a state of six million people. I always have to remind the folks of IEDC that even though they are breaking every record and have great successes like that, it's a big state. We just got a report from IU that we just got back to the record of 3 million jobs in this state. And we need more than that. That's a lot of jobs, especially when a dynamic economy is going to be moving away from some businesses. Yeah, it feels great to go by a great new capture like that, but it's kind of sobering because you know how many it's going to take to keep this engine going.

**HPI:** In listening to Andy Horning during the debate last night, he adds some contemplative aspects and one of things that got us going was the whole premise that it's government's job to create jobs. When did that dynamic that government must do jobs instead of providing education, public security and roads? With Lt. Gov. Orr or Mutz?

**Daniels:** I'm not a fan of the phrase job creation. At least not attached to government. We often start the conversation but government doesn't create jobs or wealth. What it can do is create that sandbox. Bad governments do drive jobs away. There are poor governments that frankly don't make our efforts easier. Business has been coming here from Michigan. We had one last week coming from Ohio. It's easier to destroy jobs than bring them in. I like to think of job attractions and job recruitment but it is private business which creates jobs. Government can't be totally on the sidelines either. I'm a limited government guy by any definition, but where government does have a role, it should be active and effective. Being conservative does not mean being inactive or inert.

**HPI:** Leading into Major Moves there was some uncertainty that INDOT would have the capacity to undertake the order. Obviously they've taken some previous plans off the shelf.

**Daniels:** That's a good point. You heard me talk to some of those guys. I think the jury is out. It's not so much the capacity. They've added some people. I'm most interested in the effectiveness with which they work. Businesses tend to make bigger mistakes when you're flush than when you're broke. They get sloppy.

**HPI:** We've seen that on Wall Street this year.

**Daniels:** Oh yes. My consistent direction to INDOT is you must not let that happen. I think it imposes on us





an obligation to break old modes and find better ways and to do things more effectively and more efficiently than in the past. I don't think we've proven that yet, I think we're going to. They have taken \$130 million out of this project. I knew there had been some progress but I didn't know it was that much.

**HPI:** When the engineers talked about limiting the width of the meridians to 60-some feet instead of 84?

**Daniels:** Narrowing the footprint. Yes. That's the kind of new thinking we need across INDOT to get the maximum public benefit out of this financing.

**HPI:** On the IVY Tech proposal of two years of free education, how will that be received in the Indiana General Assembly if you're re-elected? It's another capacity issue.

**Daniels:** I think it's going to be very well received. A less thoughtful first proposal passed one house and got a lot of support in the other, but didn't come to a vote. People in both parties came to me and said don't lose sight of that. One of the smartest Democrats in the state came to me and made a couple of good suggestions.

**HPI:** Who would that be?

**Daniels:** I don't want to hurt his reputation.

**HPI:** I had to ask.

**Daniels:** He gave me some good advice, which I've taken. These are all good ideas: let's increase the excellence of the faculty, lab capacity, and he said pick the most attractive and concentrate on that one objective. We decided to concentrate on the middle income families that too often the kids don't even aspire to college. I think it will be very well received. The privatization of the lottery passed one house in Illinois. California is talking about it. Those are full privatizations. I'm just suggesting a partial. I'm optimistic. IVY Tech will have challenges and that's exactly the kind of challenge we need to create here. Our community college system was stunted for years by the major universities and we've got catching up to do. IVY Tech will have to grow a lot before our percentage of students in community college reach the level of other states. Did you know that?

**HPI:** The Fort Wayne Journal Gazette made a big deal out of you not filling out their questionnaire on Kernan-Shepard. Some of the quotes they did use were you supported the thrust of it. Tell me what role you see of that issue in the final weeks of the campaign.

**Daniels:** My interest in and support of local government reform is pretty clear. I wouldn't have gone to Joe (Kernan) and Randy (Shepard) in the first place. I expect to work on many of the 27 recommendations. My opponent is just against it, so we don't have a contrast. I have tried to discipline myself to stay with the original concept, which was to not have to make this a partisan proposal, but to make it a non-partisan or bipartisan commission report to the people. I would hope we would arrive at the end of this year with consensus around many of these ideas. I've tried

not to partisanize this debate. The first thing I will do if I am rehired is sit down with leaders in both houses and say, "All right, how many of these - there are 24; we did three - can we agree on and there may be some of those I will want to push them on,

**HPI:** Piecemeal? Or package?

**Daniels:** That's a good question. Which of these do we go for first, or how would you like to go? I don't have a fixed view on that. My experience at this point tells me that packages are better because people can bring themselves to vote for a whole that has parts that they get weak in the knee on if it were all by itself.

**HPI:** I've never seen a political year like we've seen. Where do you think you stand on your re-election and the presidential race? What has piqued your interest and what has surprised you?

**Daniels:** Lots of surprises. Every indication and a long string of surveys different people have taken and equally just the feedback - and I hear it everywhere I go - is extremely encouraging. There is a clear expression and optimism that this state is headed in the right direction. Change works. People have now seen enough and we've given them enough facts and I believe that a significant majority believe it is a good idea to be active and tackle our problems and they don't expect to agree with you on everything. We have great prospects for November. Every piece of data we've seen suggests a massive crossover vote in our favor. Obama supporters are expressing their support for us. We have two very different outlooks on policy, but on the other hand, if people are predisposed to change and they've seen a load of it, I just think we're going to see a continuation of the trend - a jump in the trend - in their independent voting. They will make very separate decisions on national office and state.

**HPI:** Secretary of State Rokita said we could have 750,000 newly registered voters. Does that surprise you?

**Daniels:** I don't know that. They found 140,000 truly new voters in the primary. A lot of the new registrations are moves. I remember there were 150,000 genuinely new voters and we were getting a huge percentage of them even though most of them had been registered for the Democratic presidential primary.

**HPI:** Anything you like to talk about that I haven't asked? I always like to end with that one.

**Daniels:** That is a very generous offer. There have been waves of popular feedback to our agenda. I just spent a month traveling around talking about education and taxpayer protection and a lot of our campaign dollars will promote those ideas. They could have fallen flat. They are not as catchy or innovative as some of our other ads, but the feedback has been enormous. I won't say there's a mandate, but there is encouragement - or permission - to pursue the college affordability plan, taxpayer refund, the constitutionalization of the caps. ❖



## A presidential deadheat & 750,000 new voters

By **BRIAN A. HOWEY**

INDIANAPOLIS - Two new polls in Indiana give different views of the presidential race here. Both are at or near the margin of error burnishing the notion that the Hoosier state is fully in play. CNN has Republican John McCain leading 51-45 percent. During the same two-day period - Sunday through Tuesday, when the Wall Street meltdown was beginning to coagulate - the Indianapolis Star-WTHR-TV poll had

Obama up 47-44 percent.

The Star/13 survey was of 600 likely voters with a 4 percent error rate. The CNN poll was of 890 likely voters and had a 3.5 [percent+/- error rate. The two polls are the first since the Aug. 29-30 Howey-Gauge Poll that had McCain leading 45-43 percent. The Howey-Gauge Poll was taken 20 hours after Obama's acceptance speech in Denver and five hours after McCain added Alaska Gov. Sarah Palin to his ticket. The Star/13 poll said that 76 percent were enthusiastic about Sarah Palin but only 40 percent felt that way about Joe Biden and 28 percent had wished Obama had chosen someone else. The right track/wrong track number stood at 16/79 percent.

CNN polled in other states and in total, they paint a picture of a presidential showdown firmly in the tossup zone. In Ohio, Obama has a 49-47 percent lead; in North Carolina McCain leads 48-47 percent; in Florida the race is tied at 48 percent; and in Wisconsin Obama leads 50-47 percent. In CNN's Poll of Polls, McCain has a 48-45 percent lead. Gallup Daily Tracking had Obama up 47-45 percent today with the Wall Street meltdown beginning to have an impact. A New York Times/CBS Poll had Obama up 48-43 percent. Just 17 percent saw Palin as "well-qualified," compared to 57 percent for Biden.

These two polls occurred in the midst of what we perceive to be a potential pivot point in the race. On Monday as Lehman Brothers went bankrupt, Merrill Lynch was sold and AIG teetered, McCain said, "Our economy I think, still, the fundamentals of our economy are strong, but these are very, very difficult times," Within 24 hours, McCain backtracked, saying what he meant was that the

"American worker" was fundamentally strong. Obama quickly pounced. "Senator McCain, what economy are you talking about? What's more fundamental than the ability to find a job that can pay the bills and that can raise a family? What's more fundamental than knowing your life savings are secure ... and that you'll have a roof over your head at the end of the day? It's the same philosophy we've had for the last eight years -- one that says we should give more and more to those with the most and hope that prosperity trickles down to everyone else."

McCain confused things even more when he said he was against more regulation on Wall Street and opposed the AIG bailout announced Wednesday, then appeared to backtrack. In may take a week or so before polls fully reveal the impact of the financial meltdown and how it plays out in the presidential race, both nationally and here in Indiana.

What is hovering over the Indiana sequence of this historic showdown is Secretary of State Todd Rokita's prediction that 750,000 new voters will be on the roles by the Oct. 6 registration deadline. On Wednesday, Rokita urged people to take advantage of early voting. Rokita warned the John McCain's campaign, telling CNN, "Yeah, they have a fight here in Indiana and I think it's real. This is the first time I've ever seen a Democratic presidential campaign this engaged in this state. Usually Indiana is No. 1 on the board for red states on election night when it comes to presidential elections."

Gov. Mitch Daniels told HPI that he was on a treadmill working out when King's CNN report came on the TV. He was surprised by the potential 750,000 figure. "I don't know that," Daniels said Wednesday. "They found 140,000 truly new voters in the primary. A lot of the new registrations are moves. You have to factor that. I remember there were 150,000 genuinely new voters and we were getting a huge percentage of them even though most of them had been registered for the Democratic presidential primary." Daniels said he was confident that McCain would carry Indiana. But he also noted that Hoosier voters appeared to be predisposed to split tickets as well as separate national and state issues - something the campaign has been saying for months - and that many Obama supporters are backing him in a number of surveys he had seen.

CNN's John King spent a half an hour with Barack Obama campaign canvassers in Evansville and reported they had found only one potential new voter. One of their strategies was to sign up voters as gas stations where prices stood at 4.19 a gallon. But the end of his report from "battleground Indiana" underscores what we've been say-







ing throughout the summer: Indiana is in play.

Or, as King put it, with states like Indiana in play, "Democrats have the edge and more options in assembling the 270 Electoral College votes needed to take the White House."

Democratic consultants HPI has talked with predict that Obama is "under performing" in the polls, believing that he may be running 2 to 3 percent stronger due, in part, to the record new registrations. The Howey-Gauge Poll was conducted with new registrations through the end of July. It's unclear if the Star/13 poll is updated. Polling the Seltzer group did for Star/13 a year ago used old voter data.

Last week, we wrote that Obama seemed to be on his heels, using his event in Terre Haute on Sept. 6 to lash out at Sarah Palin. It came as the John McCain/Sarah Palin ticket has taken a 227-207 Electoral College lead in Real Clear Politics composite. McCain leads solidly with 172 votes and 55 are leaning, including Indiana. The Barack Obama/Joe Biden ticket have 157 solid votes and 50 leaning. Eight states - Michigan, Ohio, Minnesota, Pennsylvania, New Mexico, Colorado, Nevada and New Hampshire are listed as tossups.

**Palin appears to** have had some impact on Hoosiers. The Star/13 poll showed that 76 percent as "very satisfied" with Palin's selection, compared to 40 percent who liked Obama's choice of Sen. Joe Biden. Another 28 percent said they wished Obama had chosen someone else, a reflection of the disappointment that U.S. Sen. Evan Bayh wasn't selected.

The two colliding elements here are : will the newly registered voters help Obama? Will Palin's addition to the McCain ticket re-energize the social conservatives who up until her pick might have been inclined to sit this one out?

In the latest Howey-Gauge Poll, 34 percent of Hillary Clinton voters said they were backing McCain. We expect that number to decline as the Democratic convention delegates return to their communities and talk about the ticket.

**Another revealing aspect** of the Star/13 poll showed the right track/wrong track numbers stood at 16/79 percent - bad news for Republicans.

The Star reported today that Obama spent \$263,000 on campaign ads in Indiana and McCain spent nothing, according to the University of Wisconsin Advertising Project. Obama's Indiana spending was the 11th highest among the 17 states where he ran ads Sept. 6-13. He spent the most -- \$1.3 million -- on spots in Florida. McCain's campaign ran ads in 15 states, spending the most -- \$1.6 million -- in Pennsylvania. "Where the campaigns advertise tells us a great deal about the candidates' electoral strategies," said Ken Goldstein, the University of Wisconsin-Madison. ❖



## Gubernatorial Debate 1.0: Jobs, lies & vagueness

By **BRIAN A. HOWEY**

INDIANAPOLIS - Democratic challenger Jill Long Thompson turned in a credible debate performance in Merrillville Tuesday night, but the ensuing consensus was that she has yet to make a compelling case that would prompt voters to deny Gov. Mitch Daniels a second term.

Yet rumors were circulating today that an Indianapolis Star/WTHR-TV poll will show that she is close the margin of error despite the Palin pick and her lack of TV. That poll is expected to be released this evening.

The two - along with Libertarian Andy Horning - sparred over privatization, jobs, education and even time zones. While some of Thompson's attacks on Daniels will resonate with voters, she comes up short in telling voters why she would be better. WXNT's Abdul Hakim Shabazz observed of Thompson, "While you seemed to have no problem pointing out the flaws of your opponent, you didn't give voters a reason to pick you. Times are tough all over, everyone knows that, but you didn't make a compelling case for you. Also, you need to give specifics."

The Indianapolis Star's Matt Tully wrote in Wednesday's editions, "She was often frustratingly vague, as when she cynically dismissed Daniels' detailed argument about road funding with the words "fuzzy math." Or when she promised to "grow the economy" without providing much of a plan. Or when she said she would "fix" the state's time zone issue without having the courage to take a position on the matter.

**And while Thompson** landed some tough punches and promised a "reality check," many of the newspaper accounts of the debate used Daniels' lament after Thompson's tirades and the fact that he missed a chance to rebut after the first question. "So many falsehoods, so little time," a stoic Daniels said. Those were the two pervading sound bites from this first debate that took place in a half-filled room due to the flooding that swamped the Northwest





Region.

In fact, there was a crisis atmosphere surrounding this debate with the flooding from the remnants of Hurricane Ike, the financial meltdown on Wall Street, and the personal finance crisis as gas prices around the state averaged \$4.17 a gallon.

Thompson attempted to draw blood by saying she would review the Major Moves lease and said that it only brought a 5 percent return to the Northwest Indiana region. She said that after the consortium leasing the roll road pays off its investments, it will make profits "for 55 to 60 years." Daniels said that under decades of "political leadership," the Indiana Toll Road made no profit at all. When Thompson noted the 5 percent return, Daniels pointed out that the Regional Development Authority is making the "biggest infusion of money" in the region from the state of Indiana in history.

**Daniels said that** when he took office in 2005, the state was flat broke, but now has a Standard & Poors AAA bonding rating, balanced two budgets, paid back schools and local government, restored the Rainy Day Fund while the Bureau of Motor Vehicles and the Child Protective Services had won national recognition. "It's false to say that nothing is moving," Daniels said. Thompson said that Daniels "needs a reality check" and cited 60,000 lost jobs, Hoosiers making 88 cents on the dollar national average, and noted the \$4.17 gallon of gas. She said Indiana "needs a new approach."

The Louisville Courier-Journal and the Indianapolis Star both poked dents into Thompson's 60,000 job figure. The Courier-Journal reported that despite last night's rhetoric, the state's economic performance is actually mixed. Indiana had 27,800 more jobs in July (the last month for which data is available) than it did in January 2005, when Daniels took office. That's a bigger gain than Ohio and Michigan but worse than Kentucky and Illinois.

**When the subject turned** to the Region and Gary's fiscal crisis, Daniels cautioned that much of the change must start in the city. "This situation is the product of years and years and years of overspending and, I'm sorry to say corruption," Daniels said. "There must be an element of self help in there." Horning said that what has happened to Gary is the product of one entrenched party. Thompson used the question to talk about the toll road lease - "which amounts to a sale" - and said that Northwest

## Indiana House Horse Race

### Democrats

51

HD26 (Open) Polles vs. Truitt  
HD63 (Open) Messmer vs. Burger  
HD 46 Tincher vs. Heaton

HD5 Fry vs. Miller  
HD17 Demobowski vs. MacKillop  
HD62 Blanton vs. Tarr

HD36 Austin vs. Burrows  
HD68 Bischoff vs. McMillin  
HD69 Cheatham vs. Coates  
HD37 Reske vs. Gaskill  
HD70 Robertson vs. Hunt

### Republicans

49

#### Tossups

HD15 Lehe vs. Sutton  
HD31 Harris vs. Pearson  
HD44 Thomas vs. Michael  
HD89 (Open) Swatts vs. Barnes  
HD97 Elrod vs. Sullivan

#### Leans

HD20 Dermody vs. Cooley  
HD48 Neese vs. Hardy  
HD35 Lutz vs. Mengelt  
HD4 Soliday vs. Chubb  
HD52 (Open)Yarde vs. Papai

#### Likely

HD38 Clements vs. Snow  
HD92 Hinkle vs. DeKemper

#### Safe

**Democrats:** Lawson, Harris, C. Brown, Bauer, Niezgodski, Dvorak, Pelath, Stevenson, Reardon, Dobis, V. Smith, VanDenburgh, Bardon, Klinker, Herrell, Tyler, Grubb, Kersey, Pflum, Pierce, Welch, Battles, Goodin, Stemler, Cochran, Oxley, Stilwell, Avery, Van Haaften, Riecken (Open), GiaQuinta, Moses, DeLaney (Open), Pryor (Open), Bartlett, Porter, Crawford, Summers, Day.

**Republicans:** Borrer, Wolkins, Walorski, Ruppel, Friend, McClain, J. Thompson, Richardson, Turner, Davis, Torr, Steuerwald, T. Brown, Borders, Foley, Culver (Open), Leonard, Dodge, Cherry, Saunders, Knollman, Eberhart, Burton, M.Smith, Koch, Duncan, Crouch, Lehman (Open), Espich, Bell, Pond, Noe, Bosma, Murphy, Behning, Frizzell. ❖

Indiana received only 5 percent of the lease proceeds.

**That prompted Daniels** to defend the concept of "private," saying that more jobs are created in the private sector than via government. "It would be helpful if Ms. Thompson would stop misstating everything that I have proposed," said Daniels at one point. "I would also suggest, politely, you ought to stop treating private as a dirty word. When we express a hostility toward the private sector we run the risk of undoing an awful lot of goodwill we've done, including thousands of jobs in Indiana."

The Democratic blog Blue Indiana observed, "Jill did well, but was there the much-needed \*gasp\* moment tonight? If there was, I didn't see it. I don't think we'll see



a story about this in tomorrow's paper with a headline big enough to raise any eyebrows."

The three candidates meet for the second debate in Jasper on Sept. 23.

**FACT CHECKING GOV DEBATE:** Thompson and Daniels disagreed so strongly at Tuesday's debate, the third candidate joked about it (Ronco, **South Bend Tribune**). "I think maybe you better put my podium in between these two," Libertarian Andy Horning told the moderator, to laughs from the audience. Daniels said Long Thompson misrepresented his positions on the issues. Long Thompson said Daniels wasn't telling Hoosier voters the truth. And since the debate ended, both sides have released "fact check" memos, trying to punch holes in the other's argument. One of the strongest disagreements was on the subject of jobs. Long Thompson's campaign says Indiana has lost 61,912 jobs since last year. Daniels' campaign says the state has gained about 30,000 jobs since he became governor in January 2005. The truth is, they're both right. In July of 2008 — the most recent data available — 3,034,309 Hoosiers collected a paycheck, according to statistics collected by Indiana University's Kelley School of Business. That's up from 3,004,649 working Hoosiers in January 2005. Under Daniels' watch, 29,660 more people are working. But it's also true that in the last year, the state has shed the 61,912 jobs Long Thompson points to. Seasonally adjusted unemployment numbers went from 202,787 in July 2007 to 140,875 in July 2008. So, if both stats check out, how do you judge the condition of Indiana's economy? The unemployment rate is a good place to start, said Grant Black, assistant professor of business and economics and director of the Bureau of Business and Economic Research at IUSB. In January 2005, the unemployment rate was 5.6 percent. The unemployment rate dropped to 4.4 percent in July 2007 before spiking back up to 6.3 percent in July 2008, the highest July number since 1992. But even that rate doesn't tell the whole picture, Black said. "This likely isn't an isolated Indiana event," he said. "I don't care who's governor, our state's going to be affected by a downturn in the entire national economy. "The whole country's kind of in a mess." Daniels also said personal income is up 12 percent from \$29,943 in 2004 to \$33,617 in 2008. But if you adjust the dollars for inflation, buying power has decreased. According to the federal Bureau of Labor Statistics, a person who earned \$29,943 in 2004 would have to earn \$34,727 in 2008 to have kept up with inflation.

**On the governor's travel issue,** Professor David Hadley, who also chairs the political science department at Wabash College, believes there is ample evidence for the Inspector General to quickly follow through with the Jill Long Thompson campaign's complaint filed last Wednesday.

"Based on various newspaper reports, Governor Daniels' use of state planes for transportation to political

events would appear to violate 42 IAC 1-5-12," said Prof. Hadley, who formerly headed the state ethics commission. "The Inspector General should immediately initiate the investigation and report the results of the inquiry to the Ethics Commission at its next meeting. If the governor has in fact used state funds for political purposes, he must immediately reimburse the taxpayers." **Status:** LIKELY DANIELS

## Statewides

**ATTORNEY GENERAL:** Democrat: Linda Pence. Republican: Greg Zoeller. **2008 Outlook:** The Democratic candidate for attorney general said Wednesday she would do more to investigate high gasoline prices in Indiana, pointing out that Hoosiers are paying more at the pump than people in all but a few other states (Fort Wayne Journal Gazette). And Pence doesn't accept the "excuses" that complications from Hurricane Ike — including disrupted refineries along the Gulf Coast and a pipeline shutdown in Indiana — are causing the recent price spike. According to AAA, the average in Indiana on Wednesday was \$4.16 for a gallon of regular unleaded gasoline. Indiana's price is also inflated because state sales tax is charged on gasoline. Pence described how gas prices skyrocketed Friday and "virtually every gas station increased its price at the same time. Coincidence or collusion? The people of Indiana need someone who will advocate for their interests and not roll over for Big Oil," she said. Attorney General Steve Carte said his office keeps daily track of wholesale prices and average pump prices in Indiana to ensure no one charges significantly higher than the market conditions. Zoeller, Carter's chief deputy and Pence's Republican opponent in said, "Gas prices are clearly higher than Hoosiers want to pay, as they are throughout the country," but that "Pence is playing politics." **Status:** LEANS ZOELLER

## Congressional

**2ND CD:** Democrat; U.S. Rep. Joe Donnelly. Republican: Luke Puckett. **2008 Outlook:** An offshore oil drilling bill approved Tuesday night by the U.S. House of Representatives doesn't go as far as U.S. Rep. Joe Donnelly would like, but it's a step in the right direction, he said Wednesday. His opponent, Republican Luke Puckett, blasted Donnelly's vote for the measure, calling it "a publicity vote, not a policy vote" that doesn't go far enough to end American dependence on foreign oil (South Bend Tribune). The House-backed Comprehensive American Energy Security and Consumer Protection Act, or H.R. 6899, permits drilling 100 miles offshore and allows states to permit drilling between 50 and 100 miles offshore. Donnelly, D-Granger, was one of 236 representatives to vote



yes on the measure. Puckett called Donnelly's vote "political grandstanding" and said the bill misses 80 percent of offshore oil, doesn't mention drilling in the Arctic and does not allow for the construction of new refineries. **Status:** Safe Donnelly

## Legislature

**HD89:** Democrat: John Barnes. Republican: Christopher Swatts. **2008 Outlook:** Barnes is now reading cable TV ads with the slogan "Our Choice for Change." Barnes says in the ad that he will "fight crime" and "cut property taxes. **Status:** TOSSUP

**HD 97:** Democrat: Mary Ann Sullivan. Republican:

State Rep. Jon Elrod. **2008 Outlook:** Sullivan talked oil prices Wednesday, saying, "This next legislative session is going to be crucial for hard-working Hoosiers who have been hit in the pocketbook time and again by unexpected costs like the most recent spike in gasoline prices. While we can't control the weather, we certainly can control the direction our state takes when it comes to alternative energy and making sure we're doing everything we can to reduce our dependence on oil. I will make alternative energy a priority and work across party lines to put incentives in place that will further promote this booming industry and create more 'green-collar' jobs of the future. She has begun running cable TV ads. **Status:** TOSSUP ❖

## Indiana 8th in property taxes. So what?

By **MORTON J. MARCUS**

INDIANAPOLIS - It seemed like a good, simple idea at the time to focus this column on how Indiana taxes compare with those of other states.



Morton Marcus  
Column

But that turns out to be more of a job than you might think. For example, which year do we use? The most recent year available from the U.S. Bureau of the Census is 2005-06.

But that year won't work because 12% of Indiana's revenues came from its state highways in 2005-06. Remember, we leased the Indiana Toll Road for \$3.7 billion or so, a figure so big that it distorts not only Indiana, but

the total figures for all the states for that year. So we have to use data from 2004-05.

What taxes are we talking about? Do we sum together the state and the local governments or do we consider them separately? Are we going to focus on taxes and forget all the non-tax revenue collected by governments?

**Since it really doesn't** matter who collects the revenue, we'll examine state and local governments added together. What does matter is who makes the spending decisions. In Indiana, the real power to tax and to spend lies with the General Assembly.

In 2004-05, Indiana (state and local governments combined) received \$39.6 billion as "General Revenue." This sum includes charges and fees. However, it excludes revenues from liquor stores because the Hoosier state does not operate booze boutiques as do some other states. It excludes \$2.9 billion in revenues for our government employee retirement funds, as well as our workers' and

unemployment compensation funds. It also excludes \$1.7 billion received by municipally owned water, gas, electric or transit companies.

Of that \$39.6 billion, \$7.2 billion (18.2%) came from the federal government. That is well below the national average of 21.6%. Virginia ranks last (14.4%) in federal funds as a portion of state and local general revenues. Indiana ranks 44th while Mississippi is the most dependent on federal funding (33.7%).

**We could get excited** about that "deficiency" but it would counter the reason for a federal government. Funds flow to Washington to meet national purposes, not to have them sent back to us as "our fair share." Without programs to help the concentrations of the poor that other states endure, without the nation's priority projects, we shouldn't expect "our fair share."

Indiana hardly differs from the nation in its reliance on taxes to fund its treasury. In 2004-05, taxes accounted for \$22 billion (55.6%) of general state and local government revenues in Indiana compared to 54.2% nationally. Those \$22 billion equal 11.8% of Indiana's personal income. By this measure, Hoosiers pay a slightly greater percentage of their income in taxes than the 11.2% paid nationwide. But is personal income the right measure of tax burden? On a per capita basis, Hoosiers pay \$3,538 in state and local taxes. Nationally, the average citizen pays \$3,749 or 6% more than the average Hoosier.

**Property taxes account** for 37.7% of our state and local tax bill, with 30.6% being the U.S. number. Indiana ranks eighth in the nation in reliance on property taxes, just below Connecticut and just above Illinois. In New Hampshire, 61.5% of state and local taxes are from property taxes, while property taxes represent 14.3% of state and local taxes in New Mexico.

If we use property taxes more than other states, so what? It means we use other taxes less than other states. Who can demonstrate which combination of taxes is best?

❖



## Yogi may be able to call Indiana in '08

By **DAVE KITCHELL**

LOGANSPORT – If you've been watching Major League Baseball games on television this week, you might come across a nostalgic commercial about the final games being played in Yankee Stadium.

The House that Ruth Built is about to write its own ending as it makes way for its successor venue nearby. ESPN has been airing a commercial with Yankee Hall of

Famer and former Manager Yogi Berra. In it, he utters one of his most famous tongue-in-cheek Yogi-isms, "It ain't over 'til it's over."

As the commercial goes, Yankee Stadium memories will never "be over" for Yogi because they're stored in his heart.

As for the Indiana governor's race, the question everyone is wondering if not answering for themselves is whether the race is actually over, albeit seven weeks until Election Day. After reading

the results of a poll earlier this month, it would appear Gov. Mitch Daniels has a commanding lead. Even with all the undecided voters going to vote for former Congresswoman Jill Long Thompson, it wouldn't be enough to pull off the win.

Then again, if you followed the poll results before the Democratic gubernatorial primary, you would have thought Long Thompson could have spent the last week before the primary in Acapulco and mailed it in.

Not so.

**Things change rapidly** in politics sometimes. In a presidential race, seven weeks isn't an eternity. But it's long enough to turn a huge tide of voters, especially after they have a chance to compare the candidates in debates.

Such is the case with Long Thompson and Daniels, or at least it could be if we believe our friend Yogi. If it's not the case, Indiana Democrats may be kicking themselves for years at an opportunity lost.

Daniels has become known for high-risk, high-reward moves that are bound to be controversial, even with some success as a result of the moves. Yet Long Thompson has failed to exploit the openings he's given her that other candidates would drive Mishwaka-made Hummers through for political gain.

Exhibit A is not Major Moves, Daniels' toll road lease plan to fund roads, but a major gaffe – his own

campaign commercial. In it, he sits at a table and says in a conversational tone that state government can't solve every problem, but it can replace every job lost with two new jobs.

Huh? Really?

**That may be a terrific** goal for the Indiana Economic Development Corporation, even if it's not realistic for Indiana, and maybe every other state. Daniels' toughest critics might chime in that it will take two jobs for every job lost at some Indiana companies because it's not about the jobs alone, it's about the take home pay and benefits.

But without a war chest to fight Daniels' claim, ignorant voters may assume Daniels is creating two jobs for every one lost. It's wishful thinking akin to the old Beach Boys lyrics, "Two girls for every boy."

Meanwhile, the Democratic National Committee may have missed a golden opportunity to add a governorship. In the process, it also may have missed an opportunity to provide enough tide to roll Indiana into the Obama electoral column at a time when the latest WTHR/Indianapolis Star poll has Obama remarkably ahead of John McCain. Indiana was a remarkable target in the DNC's "Red to Blue Campaign" to regain a majority in the House. Indiana contributed three seats to the change.

**But for now, the DNC** and maybe even the Democratic state party which swallowed hard when challenger Jim Schellinger lost to Long Thompson, is committed to keep Indiana in the "Dead Red Campaign" column for Republican governorships.

Unless something happens soon for Long Thompson, even the venerable Yogi will be able to say that the race for governor in Indiana is really over before a vote is cast. Amazing isn't it how a November election could be over before the Yankees' season is? ❖

**Dave Kitchell is a veteran columnist who resides in Logansport and teaches at Ball State University.**

### Contacting

## HOWEY POLITICS INDIANA

**Business Office: 317-254-0535**  
**Subscription/Passwords: 317-631-9450**

**Indianapolis Newsroom: 317-202-0210**  
Howey's Mobile: 317-506-0883  
Indianapolis Fax: 317-254-0535  
Washington, DC Bureau: 202-256-5822  
Business Office: 317-254-0535  
Subscription/Passwords: 317-631-9450



### **Doug Ross, Times of Northwest Indiana:**

**ana:** Doug Ross, Times of Northwest Indiana: Prices being quoted this year are generally around \$102 per ton. And remember that a ton of salt covers just a few miles of road, so communities need to buy tons of road salt. St. John alone spent around \$75,000 on road salt last year. I've been following with interest the stories from various communities across the region as they suffer sticker shock from the road salt prices being quoted this year as they seek bids for the winter's supply. Some communities are stunned that the prices they've been quoted were so high. Some haven't received bids from anyone except last year's supplier. Some plan to cut down on the use of road salt, in effect letting roads be a bit more icy and dicey than before. "The cost of salt has gotten to a point where we've got to start thinking outside the box," St. John Town Manager Steve Kil said this week. That community looked into whether it would be feasible to get cheaper prices by getting salt delivered by rail. Some purchasing agents for communities have speculated that there's a conspiracy theory, with a cabal of salt providers artificially driving up prices. Oak Park officials even asked for a state investigation into that scenario. Regardless of whether they're right about that conspiracy theory, something communities can do is form their own cabal to artificially drive down prices by buying in bulk. St. John is among 14 communities in a joint purchasing effort that includes road salt. But why limit it to a dozen or so communities? Why not let all communities in Indiana purchase at the same price as the state? In fact, why not extend this joint purchasing initiative to everything from road salt to computers to copy paper? "The state highway department is paying \$56 per ton from Cargill, so why are we paying \$103 from Morton?" Chesterton Street Commissioner John Schnadenberg asked Monday. ❖

### **Sylvia Smith, Fort Wayne Journal Gazette:**

**ette:** This is a good thing: People are driving fewer miles (12.2 billion fewer in the past year), which creates less pollution, so everyone breathes better. This is a bad thing: When less gas is sold, less money is collected for the fund that pays for highway construction, road and bridge repair, buses, bike trails and all things transit. Another good thing: Cars are becoming more fuel-efficient, so they need less gasoline, and their owners spend less at the pump. Another bad thing: As car owners buy fewer gallons of gasoline, the 18.4-cents-a-gallon federal tax raises less money for Washington to allocate to states for highway and other transportation projects. The fund collected \$73.6 million less in the first four months of this year and was expected to funnel less cash to states; Indiana was projected to receive \$289.7 million less, for instance. In fact, the highway fund

is \$8 billion short and was likely to run out of money by the end of the month. Lawmakers wanted to transfer \$8 billion from the general fund to the highway fund, but the Bush administration said that was a "gimmick and a dangerous precedent." The White House did a U-turn last week, and Congress quickly approved the transfer. State transportation departments, the concrete industry, bus makers, construction contractors and highway workers all wiped their brows. Though it's likely that the folks who supported the \$8 billion transfer somewhat overstated the case that Indiana would lose 9,382 jobs without the transfer, it's surely true that less highway construction money means less work for the people and companies that do the work. Bullet dodged. ❖



### **Mark Bennett, Terre Haute**

**Tribune-Star:** On his campaign stop in Terre Haute last weekend, Sen. Barack Obama made no mention of cosmetic products or farm animals, even though he spoke inside a 4-H arena. Instead, the Democratic presidential candidate discussed some slightly more pressing issues, including the development of renewable-fueled vehicles. Like his Republican opponent John McCain, Obama's energy plan features plug-in hybrid cars rolling through America's streets. McCain would offer a \$300-million prize to the company that creates a battery with the strength, endurance, size and cost needed to make such an automobile go. McCain also wants a sliding scale of tax credits for buyers, with a maximum of \$5,000 for the most efficient cars. By contrast, Obama set a goal of having 1 million plug-in hybrids on U.S. roads by 2015. He would commit \$4 billion in tax credits and loan guarantees for American automakers to "retool" their plants to produce alternative-fueled vehicles, and those super batteries. He also would give consumers of advanced-technology autos, such as the plug-ins, a \$7,000 tax credit. In that Terre Haute visit, Obama praised the unconventional thinking by oil tycoon T. Boone Pickens, despite their divergent political stances. The billionaire recommends the United States shift to trucks (and later cars) powered by natural gas — drawn from America's reserves — while the nation converts to wind-generated electricity. Natural-gas-fueled transportation would be temporary, while electric- and hydrogen-powered vehicles are developed, according to the oil man's plan. Obama didn't endorse that idea, but emphasized it reflects the urgent need to curtail the escalating U.S. consumption of foreign oil. Shifting to natural-gas cars "can displace some of the oil that we import from the Middle East," Obama told the Terre Haute crowd. "Now, that may not be the best solution over the long term. It may be that electric cars are the best solution. But we've got to develop the batteries here in the United States, and right now we're behind the Japanese in developing the battery technology that's needed so that electric cars can run. ❖



## **Rokita urges early voting**

INDIANAPOLIS - Officials hope more Hoosiers will cast their ballots before Nov. 4 this year, possibly alleviating problems that could crop up on a busy Election Day (Louisville Courier-Journal). Secretary of State Todd Rokita

told Indiana election administrators in a letter last month that they should encourage early absentee voting to help reduce potential problems -- including long lines, ballot shortages, and poll-worker and voter confusion -- on Election Day. "By all accounts, we could see turnout records statewide," he wrote. Rokita has not been a fan of early voting. He considers Election Day a community-building exercise, with everyone heading to the polls on the same day to perform a civic duty, said spokesman Jim Gavin. But things have changed this year because of the keen interest in the presidential race between Sens. Barack Obama and John McCain. Rokita has predicted that up to 750,000 Indiana residents will either register to vote or update their registrations with new addresses or other changes by the Oct. 6 deadline.



## **Interstates 65, 90 and 94 still closed**

CROWN POINT - The Indiana Department of Transportation says that within hours it expects to reopen Interstate 80/94 in northwestern Indiana, which has been closed since weekend flooding (Associated Press). INDOT officials say they anticipate reopening the highway by midday today. Crews are continuing to pump water from the roadway but they must also sweep debris from the pavement before allowing traffic back onto the ma-

ior route into the Chicago area. About four miles of I-80/94 has been closed from the Illinois state line to State Road 51 due to the flooding. In addition, INDOT closed I-65 northbound at U.S. 24 to ease traffic headed into northwestern Indiana. Officials aren't sure when I-65 will reopen.

## **Prosecutor gets LaPorte assessor case**

LAPORTE - A report on an Indiana State Police investigation of La Porte County Assessor Carol McDaniel will be turned over to La Porte County Prosecutor Robert Beckman in a few weeks, according to the Indiana State Police detective in charge of the months-long investigation (Michigan City News-Dispatch). Steve Nash, a detective with the white collar crime unit in the Special Investigation Section of the Indiana State Police, said it's up to Beckman to decide what charges, if any, will be made against McDaniel.

## **Jail for ex-clerk in embezzlement case**

NEW CARLISLE - Former New Carlisle Clerk-Treasurer Cathy "Katie" Keck looked devastated as she was led from the courtroom in handcuffs Wednesday (South Bend Tribune). Several of her friends and relatives in the gallery sobbed loudly. Moments before, St. Joseph Superior Court Judge Roland W. Chamblee Jr. had announced the sentence he had had under consideration for nearly two weeks. On Keck's guilty pleas to stealing \$80,000 from the town for which she worked for 19 years and to official misconduct, Chamblee imposed a one-year prison term followed by three years of probation.

## **CPS worker guilty in mileage case**

CROWN POINT - A former

Child Protective Services worker whose job was to drive children to and from foster care was convicted Wednesday of charges she turned in claims for thousands of miles she never drove (Associated Press). A Lake Criminal Court jury convicted Tannette Kinnon, 47, of misdemeanor official misconduct for falsifying mileage and overtime claims, the county prosecutor's office said. Jurors who deliberated about an hour acquitted her of a charge of felony theft. Kinnon faces a maximum term of one year in prison when she is sentenced Oct. 9.

## **State agencies will meet with flood victims**

MUNSTER - Representatives from the state's insurance, motor vehicles, and housing agencies will be in northwest Indiana beginning Thursday to help flood victims. Gov. Mitch Daniels, who visited flooded areas on Tuesday, said the state would begin to quickly provide the available state services and today, he sent Andy Miller, the director of the Office of Disaster Recovery, to meet with city and town officials from Lake and Porter counties, as well as state elected officials from the area, to implement plans.

Beginning Thursday and Friday from 8 a.m. to 8 p.m. CDT, representatives from the Indiana Department of Insurance, Bureau of Motor Vehicles (BMV), and the Indiana Housing and Community Development Authority (IHCDA) will be at Family and Social Services Administration offices in Hammond, Hobart and Gary. Addresses are 661 Broadway in Gary, 1001 West 37th Avenue in Hobart, and 420 Hoffman Street in Hammond. Additional days and hours will be determined by the end of the week. (Note: the BMV will be at the Hobart office on Thursday and the Hammond office on Friday. FSSA and BMV are housed together at the Gary office).

FEMA applications will not be available at these locations.