

# Raging river runs through IN

*Polls all over the map, bailout, & Obama vote add to dramatic October*

By **BRIAN A. HOWEY**

In Russia a decade ago, a young bureaucrat who headed the fuel and energy ministry named Sergei Kiriyenko was stunned when President Boris Yeltsin plucked him out of relative obscurity to become prime minister. This came as storm clouds gathered around the then-aspiring democracy's financial markets and banking systems.

As our delegation accompanying Sen. Richard Lugar and Sam Nunn approached the Moscow steps of Rosatom a year ago - the Russian nuclear agency that Kiriyenko now heads - Washington Post foreign editor David E. Hoffman recalled the 1998 crisis. Kiriyenko described himself as "in the middle of a raging river" and he simply wanted to get "to the other side." Hoffman describes the events in his book **"The Oligarchs: Wealth and Power in the New Russia"** that



Gov. Daniels surveys Southern Indiana flooding last June. (Access Indiana Photo)

have an eerie ring today even though the Russian economy then and the U.S. economy of today are worlds apart in magnitude. There are, however, similarities. In 1998, there

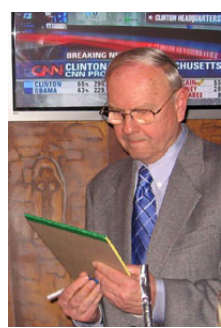
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## JLT & Lazarus

By **JACK COLWELL**

SOUTH BEND - Lazarus did it, though it took a miracle. Can Jill Long Thompson, as dead as Lazarus, according to some analyses, also come to life to win the race for governor?

If Long Thompson, the Democratic challenger, upsets Republican Gov. Mitch Daniels, it won't be a miracle in Biblical terms. But it would be amazing for a candidate who began the general election effort with nary a cent in campaign coffers. Daniels has been on TV day after day, week after week, month after month, with ads enhancing his image as our man Mitch,



“Um, all of them, any of them that have been in front of me all these years.”

- Alaska Gov. Sarah Palin, asked by CBS anchor Katie Couric on what news sources she reads



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working for us to make Indiana better. Long Thompson has lacked funds to dent the way Daniels has defined himself. Some analysts, citing not just the money disparity but also a flurry of polls showing Daniels with big double-digit leads, have indeed pretty much concluded that Long Thompson can't win.

Then, in what could well be Long Thompson's best day of the campaign, the Indianapolis Star came out with a front page story on Sept. 19 that related a different poll finding. A statewide professional poll conducted for the newspaper showed these percentages: Daniels, 46; Long Thompson, 42.

Long Thompson quickly used that story to breath life into her campaign fund-raising and rally her supporters with an Obama-like "yes, we can" message.

**The Daniels** campaign scoffed at the poll, saying the race isn't anywhere near that close. Maybe it isn't. Other polls now will come along to measure the margin. And, of course, the only poll that really counts is the one in which all voters can participate on election day.

If Long Thompson is able to pull an upset, it will come with the help of Barack Obama and the now intense focus of voters on the economy.

Back when Sen. Evan Bayh was a possible vice presidential running mate for Obama, Hoosier Democrats were hopeful that Bayh on the ticket would enable Obama to carry Indiana and to pull other Democrats, including Long Thompson, to victory.

When Bayh wasn't picked, those hopes faded.

However, Obama strategists still concentrated on Indiana, working and spending in the state, regarding it as a battleground. Polls show Obama within striking distance in Indiana. In the ups and downs in the presidential campaign, Obama seemed to be slipping after the conventions. Now, with the focus on

the economy, Obama has seemed to be pulling ahead nationally, with at least a chance to carry Indiana and help Long Thompson. The chances will improve if John McCain takes Indiana for granted, with only token effort.

**Focus on the economy** also is helping Long Thompson in her own campaigning and in the debates with Daniels. A major theme of the governor's campaign is that he has done wonders for the economy in Indiana, helping to lure industry and creating new jobs and an improved economic climate. He can cite statistics about that.

Now, as some factories close and joblessness grows in Indiana, Long Thompson can cite statistics, too, ones that counter the rosy picture presented by Daniels.

In their battle of statistics during their debates, they clearly are using statistics from different time periods. Daniels talks of the good economic statistics in Indiana from back when the nation's economy was robust. Long Thompson cites the more current statistics in Indiana now that the nation's economy is in terrible trouble.

Governors never deserve all the credit they claim when the economy is booming or all the blame they get when it is floundering.

**To win, however,** Long Thompson will have to focus on the economy, the "Bush-Daniels economy," and at least take away any plus Daniels had from the earlier jobs statistics. Also, if she finally gets the finances to hammer away with a message, she will need to remind voters of some of the reasons many of them were miffed at Mitch earlier in his administration. Things like the time, the toll road and other privatization. Some of those things are not as unpopular now.

And like Lazarus, Long Thompson will need some important help to rise up in sound political health. Not help of Biblical proportions. Help of Obama proportions, with Obama actually carrying the state and his supporters voting for her as well. ❖



## **Raging river, from page 1**

was a fiscal meltdown, currency devaluation, steep stock market slides, bank failures, a crisis of confidence and weak leadership. In this story, there was Goldman Sachs, feeding the nation's debt addiction, bailing out the cash-strapped government with almost \$3 billion in bridge loans. There are Bushes and Soros who flit into the picture.

Hoffman writes of an embattled prime minister: The doomed Kiriyenko could do little to salve the wrath of the markets. He tried to draw up responsible, long-term plans, but they were useless in the face of a brutal, immediate crisis, and no amount of promises could soothe the panic. "The markets proclaimed their own verdict," Kiriyenko lamented later.

A decade later in the United States, the river analogy is an apt metaphor. The political rivers in Indiana are out of their banks. There are hints of a populist revolt. Protesters huddled outside of Rep. Brad Ellsworth's office in Evansville on Wednesday after he voted yes. State Rep. Scott Reske is actively campaigning in his Pendleton/Ander- son area seat, trying to fend off a challenge from Repub- lican Kelly Gaskill, who this past week sent out direct mail accusing Reske of voting against referendums, thus taking away the rights of people in determining their own govern- ments.

"If I put a tennis ball in a calm river, I can pretty much figure out where it's going to go," Reske said earlier this week. "If I put that tennis ball in a raging river, I have no idea where it will end up."

### ***But, where is it now?***

There is no doubt that the United States and Indiana are in the middle of the raging political river. It intensified when the U.S. House rejected the financial bailout. Hoosier congressman in relatively safe seats - Democrats Brad Ellsworth and Joe Donnelly and Republican Mark Souder - voted yes. The ideologues: Mike Pence, Dan Burton, Steve Buyer on the right and Andre Carson and Pete Visclosky on the left, voted the measure down.

Sen. Evan Bayh was his customarily cautious self,

but came out with a fiery statement just before the Sen- ate passed the package Wednesday night. "People are angry, and they have a right to be," Bayh said. "I am, too. We shouldn't be in this mess, but we are. The question is: What are we going to do?"



**Lugar and Nunn with Kiriyenko in Moscow in August 2007. (HPI Photo by Brian A. Howey)**

Bayh reasoned, "Chairman Bernanke is an econo- mist, not a politician. He is a man not known for overstatement. Could he be wrong? Yes. Is ignor- ing his advice a risk worth running at this precari- ous time for our nation? I don't believe so. As distasteful as it is for Con- gress to take this action, doing nothing would likely make things much worse. That is the choice before us. Regretably, there are no good options. But the current plan is far better than the original proposal. Executives who have brought their companies to

the brink of ruin and now seek public help will be prevent- ed from profiting. There will be no golden parachutes or outrageous executive pay packages. There will be independ- ent oversight to prevent conflicts of interest and outright corruption. The taxpayer will be protected by receiving an ownership interest in any company that receives govern- ment assistance. If after five years the government has lost money, the financial industry will be required to pay it back."

Bayh said the current package "has been improved because tax cuts are included to help middle class families. More than 900,000 Hoosier homeowners will be eligible for a property tax cut. Tens of thousands of students will receive a \$4,000 college credit. Thousands of middle class Hoosier families will not see their taxes rise due to the alternative minimum tax. Most of all, once we have dealt with the present crisis, we must channel our anger into making sure this never, ever happens again."

### ***Pragmatic Lugar***

Sen. Dick Lugar, heading into Wednesday evening's Senate vote on the same package, explained in his prag- matic fashion, "The financial rescue legislation will restore credit flow to homeowners, businesses, farmers and all the people who, by the very nature of their businesses, need to borrow money to maintain their activity and keep employ- ees. Failure to pass such legislation would lead to massive unemployment and failure of small business and farming





operations in Indiana . That is unacceptable. This legislation provides equity for the taxpayer and the businesses that will be assisted by the legislation. This is most likely to lead to the taxpayer's money being repaid over time and those funds would go toward paying down the national debt. While businesses and credit markets are being restored and rejuvenated, the legislation will stop excesses in executive compensation. The bill will contain sufficient monitoring and oversight by supervisory boards to ensure its wisest use."

### ***Nihilist revolt***

Conservative New York Times columnist David Brooks called Monday's House vote a "revolt of the nihilists" and said, "So far, they have failed utterly and catastrophically to project any sense of authority, to give the world any reason to believe that this country is being governed. With this vote, they've taken responsibility for this economy, and they will be held accountable. The short-term blows will fall on John McCain, the long-term stress on the existence of the G.O.P. as we know it. I've spoken with several House Republicans over the past few days and most admirably believe in free-market principles. What's sad is that they still think it's 1984. They still think the biggest threat comes from socialism and Walter Mondale liberalism. They seem not to have noticed how global capital flows have transformed our political economy."

### ***McCain poll swoon***

This view appeared to be reflected in the polls. In Indiana, the latest SurveyUSA poll showed John McCain with a tiny 48-45 percent lead over Barack Obama and a new South Bend Tribune/WSBT-TV poll has McCain leading 46-45 percent. But in a spate of polls released Tuesday and Wednesday, Obama appeared to be bursting out of the picket line. In CNN polling, Obama led in Florida 51-47 percent, Nevada 51-47 percent, Virginia 53-44 percent, Minnesota 54-43 percent, and Missouri 49-48 percent. In Quinnipiac Polls released on Tuesday, Obama had a 54-39 percent lead in Pennsylvania, a 50-42 percent lead in Ohio, and 51-43 percent in Florida. If these trends continue, we're beginning to see a tidal wave develop for the Illinois senator.

These came after a week of erratic actions by Mc-



**Jill Long Thompson was off the air most of September, but now two polls have her within margin of error. (HPI Photo by Brian A. Howey)**

Cain in which he suspended his campaign in the wake of the Wall Street meltdown, threatened to skip Friday's presidential debate (where he showed up and held his own), was mostly mute during last Thursday's White House summit with President Bush and Barack Obama (the Democrat finally had to ask him where he stood), made the case that he had gathered about 60 House Republican votes, and then watched that whole sequence blow up in his face on Monday. Overlaying that sequence was running mate Sarah Palin, who continued to bomb during the ongoing series of Katie Couric interviews on CBS. A month ago, Palin was seen as a key to the previously uninspired social conservatives here in Indiana and in other battleground states. A CBS poll earlier this week showed her approval rating drop from 47 percent to 30 percent.

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Several national observers, CQ.Politics and MSNBC's First Read among them, did what HPI has been saying for months: that Indiana is a presidential battleground state fully in play.

### ***Shifting Hoosier landscape***

Here in Indiana, this volatility poses a number of inconsistent and unknown scenarios:

**1. The polls are now all over the map.** A South Bend Tribune/WSBT-TV poll taken Monday and Tuesday has Daniels with a 47-46 percent lead over Thompson. It also has McCain with a 46-45 percent lead over Obama. During the same time period, SurveyUSA had Daniels up 53-37 with Libertarian Andy Horning at 6 percent. A Public Opinion Strategies Poll has a similar margin: Daniels up 54-32 percent. So there are now two polls (Indianapolis Star/WTHR-TV) that have the governor's race within the margin of error, but at least the Tribune/22 poll was taken during a volatile period that could reasonably impact the race. But neither of those polls supplies any support information, such as all three candidates' favorable/unfavorables, name ID, gender, race and regional breakdowns. Star/13 and Tribune/22 also didn't include Horning in their surveys. Pollster Del Ali of Research 2000 explained, "Daniels still has the upper hand in the race. I don't think these numbers are really that bad (for Daniels). It's still his race to lose." Ali told the South Bend Tribune reported the race could



Barack and Michelle Obama with Hoosiers at Garfield Park in Indianapolis last April. (HPI Photo by A. Walker Shaw)

be close because Republicans are "taking a beating" from the public on the national financial crisis, and that anger is hitting GOP politicians at the state level, too. "It does not take a rocket scientist to figure that out," Ali said. "A lot of what's going on nationally has an effect on Republicans. That's my explanation, and I think it's a valid one. He'll have an easier time recovering than, let's say, John McCain, because this is more of a federal issue. He'll get more of a benefit of the doubt from the undecided voters than McCain would."

**2. How will the newly registered Obama voters behave?** Will they vote just for president? Will they pull the Democratic lever? Will they cherry pick? Gov. Mitch Daniels' campaign continues to believe that it will capture a significant percentage of the new Obama voters. The Thompson campaign expects much of that support to go her way.

**3. Will Jill Long Thompson be able to ride the Obama coattails with these new voters?** We've entered October and she is still off the airwaves. It almost appears as if she is following the Ballard Rules: despite a huge money deficit, if she can muster enough money for a late TV buy across the state, she could position herself to ride a wave. The difference between this scenario and Ballard's stunning upset of Indianapolis Mayor Bart Peterson in 2007, is she has yet to reveal the silver bullet issue that Ballard had with property taxes and governmental hubris. Still, if there are further spikes in the jobless rate and other big plant closings, the landscape could be in for dramatic changes, just as a

raging river can. At least one Democratic source expects the Thompson campaign to be back on the airwaves this weekend.

**4. Can Democrats tie Daniels to the discredited Bush administration?** As we've noted before, if Daniels can stay out of the river (and this is seriously in doubt now, particularly if Hoosier Democrats can effectively tie his OMB tenure to the current financial meltdown), can his coattails trump Obama's in down ballot races for attorney general, superintendent of public instruction (which usually follow the governor) and Indiana House races?

**5. Will a prairie fire-storm - a throw the bums out wave - hit the state?** Thus far, Hoosiers are tending to see the Mike Pence ideological view that capitalism needs to continue unfettered; that failure cannot be bought off by government. Or will the reality of evaporating credit finally sink in with



Americans not making the same mistake the Japanese did in the 1990s when a credit crisis there ushered in a decade of economic stagnation? In the Public Opinion Strategies Poll, the memo states, "Further, by a 49% to 22% margin, Hoosiers believe Indiana's economic situation will be better than worse. The bottom line is that Indiana lacks the anti-incumbent tide needed to threaten Daniels' incumbency."

In 15 years of publishing, Howey Politics Indiana has never seen a more volatile climate than it is now with more conflicting and obscured polling data.

With a little over 30 days left, one gets the feeling anything can happen. ❖





## Profiles in courage?

By JACK COLWELL

SOUTH BEND - John F. Kennedy wrote a Pulitzer Prize-winning book titled "Profiles in Courage," relating bravery of eight legislators who defied public opinion in the course of the nation's history, despite political risk and ridicule, to do what was right.



No author today could find very many examples of such courage in the way the House voted down the economic rescue plan on Monday. Nor is there likely in any book to be a chapter hailing the leadership of the House or of President Bush in dealing with the threat of economic collapse and recession or even another great depression.

The Senate looked better in protecting the nation Wednesday night.

If some House Republicans really voted to kill the bill, knowing the plummeting of stock values and damage to the shaky economy that would result, just because of hurt feelings over partisan remarks of House Speaker Nancy Pelosi, their action was not courageous but inexcusable.

As inappropriate as the speaker's comments may have been, this surely was not the real reason for most Republican "no" votes. Her remarks were an excuse.

A number of Democrats also had an excuse. With Republicans not delivering the percentage of votes expected, some Democrats shifted to "no" so their party wouldn't be blamed for passage of an unpopular "bailout."

Excuses abound.

**A large percentage of House** members in highly competitive battleground districts, Democrats as well as Republicans, voted "no." Since the economic rescue plan wasn't popular at that time, members facing tough races feared trying to explain to their constituents why this wasn't really a "Wall Street bailout" but instead a dose of terrible-tasting medicine to ward off woes for small businesses, and to protect pension plans, savings in 401(k) accounts or money in the bank.

One can sympathize, even if not finding them courageous.

House members from safe districts who voted "no" did so out of principle.

Like the principle of not helping somebody who caused the problem. You know, don't put out the fire that threatens the whole neighborhood because it all started in the home of a nasty neighbor whose carelessness caused

the conflagration.

Like the principle of doing unto Bush as he has done unto you. You know, let the economy crash to show him. Or to show Pelosi or the treasury secretary or the fat cats or John McCain or the socialist schemers or somebody.

**Like the principle of defeating** a flawed approach to find a better one or to let the economy do as it will. You know, in fairness, there are members with sincere belief that there is no need for this action.

While the final vote was close, the vote of Indiana's delegation was not. Only three of nine House members voted for the rescue.

Democrats Joe Donnelly and Brad Ellsworth and Republican Mark Souder voted "yes." There was some courage there, although each is favored to win re-election. Still, Donnelly and Ellsworth are in swing districts and Souder faces a determined challenger with campaign financing. Give them credit.

Voting "no" were Democrats Pete Visclosky, Baron Hill and Andre Carson and Republicans Dan Burton, Steve Buyer and Mike Pence. Only Hill is in a close race where a "yes" vote might well tip the scales to defeat.

**The others are in districts rated** as "solid" for them - totally safe for some.

Their motives? They no doubt vary. Courageous? Courage is in the eye of the beholder. Or in the eye of the author. JFK wrote about courage in daring to go against public opinion in order to do what is right. ❖

## Answers, not charm

By MARK CURRY

TAIPEI - Supporters of Sarah Palin answer her critics by asserting that "this country has become great because of the ordinary people who are willing to stand up for what is right and fight for it," as one poster wrote at Lucianne.com.



Only a "Beltway insider" or an elitist would fail to see the value she brings to the McCain ticket, the logic goes. In fact, conservative pundit Kathleen Parker was hounded for a recent column that, in her own words, suggested "Sarah Palin is out of her league and should step down."

"I am a traitor and an idiot," Parker wrote yesterday in describing the gist of reader response to her critical column. "Also, my mother should



have aborted me and left me in a dumpster, but since she didn't, I should 'off' myself."

I'm curious, then, how Palin supporters would explain a poll released in today's Washington Post that found 60 percent of registered voters believe the Alaskan governor does not possess "the kind of experience it takes to serve effectively as president, if that became necessary?" Further, one third stated they were less likely to vote for the McCain ticket because of his choice for vice president. The poll surveyed 1,271 registered voters representing a broad spectrum of our society. Are those opposed to Palin traitors and idiots, too?

**The fact is Sarah Palin is qualified** to be vice president under the Constitution. She is a native-born American, 35 years old or older, and has resided in the U.S. for at least 14 years. But do we want her to be one heart-beat away from running the Free World? So far her performance in and outside the media has been unpersuasive to the point of being repulsive. Her answers for the most part have been incomplete and sometimes non-existent. I'm beginning to wonder if she will deliver any sort of thorough and intellectually satisfying non-teleprompted statement on policies concerning any of the major issues facing us today. I'm not saying she can't. I'm only saying she has not delivered. Yet.

Tonight is her opportunity. The conventional wisdom concerning this debate is Palin supporters will be able to consider it a small victory should she string together more than a few persuasive sentences. But I'm demanding more. And I'm not talking about pablum of the sort she delivered while debating with Andrew Halcro during the Alaskan gubernatorial contest. Halcro, who ran as an Independent, wrote in yesterday's Christian Science Monitor that Gov. Palin is "a master, not of facts, figures, or insightful policy recommendations, but at the fine art of the nonanswer, the glittering generality. Against such charms there is little Senator Biden, or anyone, can do."



**No. If Sarah Palin ever expects** to get my vote she needs to convince me tonight with the details of her plan for solving the myriad issues confronting all of us, whether we be Ivy League elitists or Hoosier homemakers. We're all Americans and we deserve nothing less from our would-be leaders. ❖

**Curry previously covered politics for Howey Politics Indiana out of Washington. He now lives in Taipei, Taiwan where his wife, Kathy, is stationed with the U.S. Embassy.**

## Gubernatorial poll rollercoaster continues

**Indiana Governor:** Republican: Gov. Mitch Daniels. Democrat: Jill Long Thompson. Libertarian: Andy Horning. **2008 Outlook:** Two new polls continue to show Gov. Mitch Daniels with a significant lead over Democrat Jill Long Thompson. A third shows a dead heat. Pick your poison.

A new Public Opinion Strategies poll (Sept. 29-30) shows Daniels with a 54-32 percent lead. And a SurveyUSA poll conducted on Sept. 28-29 had Daniels with a 53-37 percent lead while Libertarian Andy Horning came in with 6 percent. But a new **South Bend Tribune/WSBT-TV** poll shows Daniels with a 47-46 percent lead

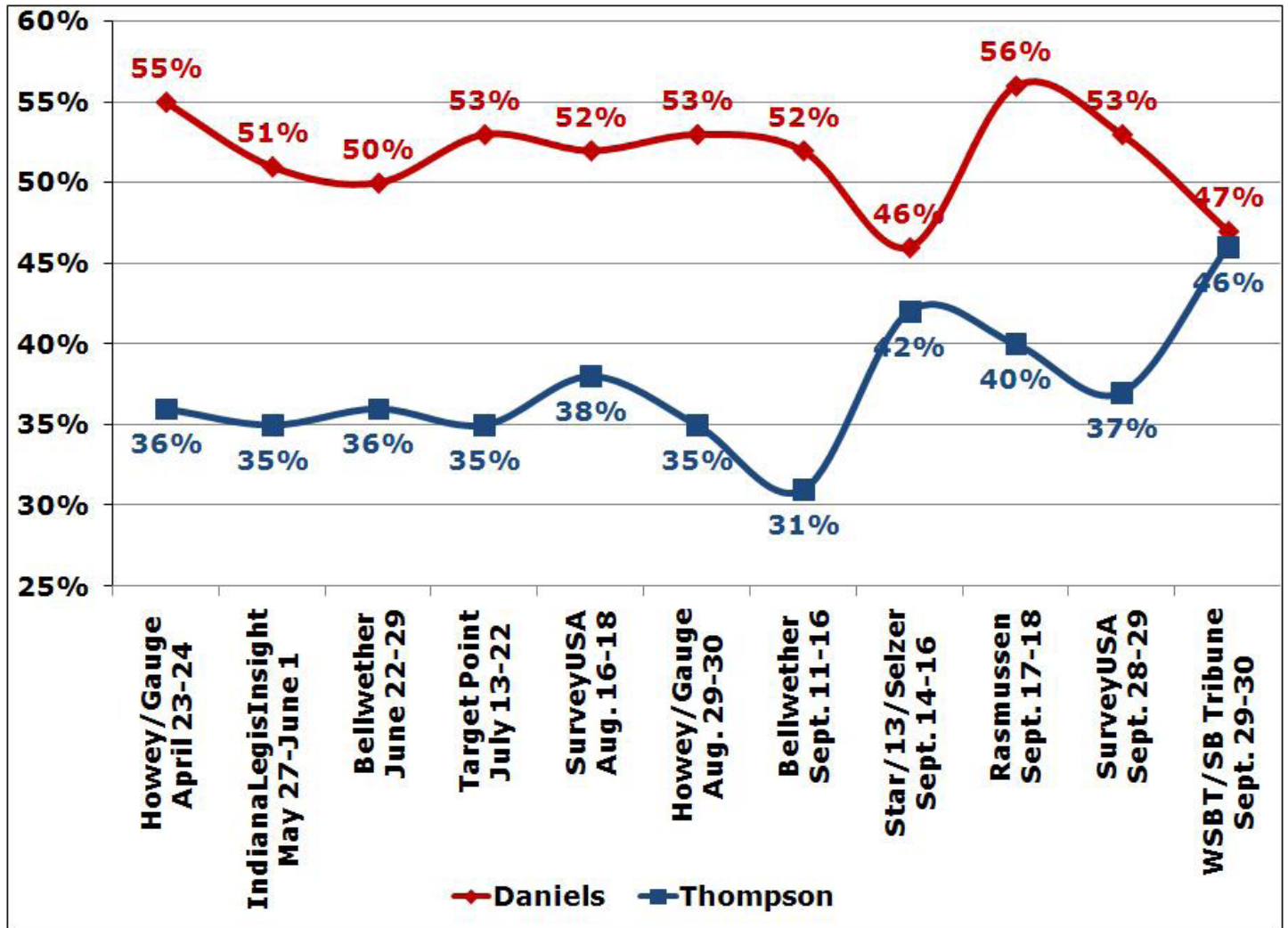
In the SurveyUSA poll, Daniels now leads in all regions of the state: in previous polling, Long Thompson led in Northern Indiana. 25% of Democrats cross over to vote for incumbent Republican Daniels; 14% of Republicans cross over to vote for Democrat Long Thompson. Independents favor Daniels by 25 points.

The POS survey, commissioned by the Indiana REALTORS, showed Daniels with 58/31 percent fav/unfavs, compared to Thompson at 31/24 percent. Daniels' 22 point lead on the ballot is backed up by near stratospheric job approval. More than six-in-ten (64 percent) voters approve of the job Daniels is doing while only 30 percent disapprove. While Americans may be grounded in economic pessimism, this is not the case for Indiana. Even though 64 percent of the voters voice economic worries, 47 percent believe the state is headed in the right direction. Further, by a 49% to 22% margin, Hoosiers believe Indiana's economic situation will be better than worse. In the POS memo, it states, "The bottom line is that Indiana lacks the anti-incumbent tide needed to threaten Daniels' incumbency."

What continues to strike us about the Star/13 poll late last month and the Tribune/22 poll on Wednesday is a lack of supporting documentation: no toplines, no fav/unfavs, no demographic breakdowns. They do nothing to lead you up to how they got to the head-to-head. HPI's call for media to publish their toplines have been ignored. Which raises the question, are they more interested in shaping the race than giving you a credible snapshot? Perhaps it's because no one - except HPI - actually monitors their results and what actually happens on Election Day?

The Thompson has done little to make us believe





they've closed the gap. She's been off the air for almost a month. Take Monday for example. While the eyes of the world were on the U.S. House as it voted down the financial bailout package and then as Wall Street tanked to the tune of a 777-point drop, in the midst of all that came a Thompson campaign press release around 3 p.m. over Daniels use of state aircraft.

Campaign manager Travis Lowe said in the release titled "Preliminary Review Raises More Questions About Daniels Taxpayer Funded Travel": "From our analysis of the initial set of documents that we received, it appears that Governor Daniels used the state planes and helicopters for personal and political purposes much more frequently than anyone previously thought. It appears he repeatedly used state aircraft for non-official business - and that's potentially a violation of state law."

Rome was burning. It was obvious that on this day's news cycle, almost all of the attention was riveted to Congress, Wall Street and the impact on Main Street. The Thompson campaign was somewhere else in an alternative universe chattering about an issue that has had and will

have virtually no impact on this race. Even more pathetic is the fact that Hoosiers are alarmed and scared about the economy. A tired story of the governor's use of state aircraft is not going to help Thompson make the case to replace the incumbent.

Indianapolis Star columnist Matt Tully sided with Thompson on this particular issue, writing on Wednesday: "Mitch Daniels has bungled his response to valid questions about his use of state airplanes, and that response has kept the issue alive for more than a month now. With Election Day approaching, Daniels and his campaign continue to offer dismissive answers to the questions hovering around him. The strategy seems clear: ignore this issue and hope it goes away. 'I'm not getting into all this stuff,' Daniels' campaign manager Cam Savage said when I asked about Daniels' travel on a state plane from his vacation home in West Virginia. 'All I can say is . . . everything has been done by the book.' Of course, that's not all Daniels could say. He could take this issue seriously and outline the details of any trips that included personal or political sidebars. He could explain why the campaign hasn't reimbursed





the state for at least a portion of such trips. And Daniels could stop acting -- like he did last week -- as if questions about taxpayer-funded air travel are personal attacks."

But in reader responses, many reacted like this one: "Matthew, was this a slow news day? Find something more interesting to write in your news space."

On this particular day, it would have been appropriate for Thompson and Gov. Daniels to talk about what was happening to the U.S. economy. With all of the fear abounding, this is where true leaders step up and reassure people that the sky is not falling. WISH-TV covered this aspect of the story on Wednesday. "I don't care if it were just about the people on Wall Street, let it be, but it's already hurting Indiana," said Daniels. "I'm not telling them what to do only in a situation this bad, doing nothing is usually the worst option." Thompson said, "I would be inclined to support only legislation that would help rank and file Hoosier families." She said she is also leaning toward the bailout, but with strict conditions. "It's important that whatever gets passed and signed into law that it helps Main Street and is focused on doing what's in the best interest of families across the country," said Long-Thompson.

Democrats were fishing on this topic and we checked in with the governor's office on what was happening to PERF and TRF. The volatility on Wall Street has taken a bite out of PERF and TRF investments by the state of Indiana. Asked about the status of state investments, Gov. Daniels spokeswoman Jane Jankowski told HPI on Tuesday, "PERF and TRF started to invest in the stock market 10 years ago and over the past few years, their stock market exposure has gradually been reduced. The funds both still invest in the stock market and these assets have a lower market value right now than a month ago; however, PERF/TRF are long-term investors, not market timing investors." By state law, Jankowski said, Major Moves funds are not invested in the stock market.

Watch for this story to get some legs in the coming days as the ISTA weighs in. **Status:** LIKELY DANIELS

## Congressional

**4TH CD:** Republican: U.S. Rep. Steve Buyer. Democrat: Nels Ackerson. **2008 Outlook:** 4TH CD: Republican: U.S. Rep. Steve Buyer. Democrat: Nels Ackerson. **2008 Outlook:** The race for Indiana's 4th District congressional seat took an ugly turn this week with candidates trading accusations over a foiled campaign appearance at a Monday evening event. U.S. Rep. Steve Buyer, R-Monticello, who's held the seat for eight terms, said Democratic challenger Nels Ackerson "walked out" on an event hosted by Clinton County Farm Bureau. "That was about as brass a move as I've ever seen from someone," Buyer said in a Tuesday interview. But the Ackerson campaign accused Buyer's campaign of distorting the truth of what happened. Peter

Ackerson, Nels' son and a spokesman for the campaign, said Nels Ackerson wasn't allowed to speak at the time he'd planned on and had to leave the Clinton County event for another commitment. When Ackerson learned of the schedule change he arranged for a supporter to speak in his absence and visited with the attendees until he had to leave, Peter Ackerson said. Mike Beard, president of Clinton County Farm Bureau, expressed frustration over the back-and-forth that ensued from his event. He said when he learned of Ackerson's time conflict he promised to try and have the candidate speak earlier if the program allowed. However, the agenda was not far enough along by the time Ackerson had to leave -- 6:45 p.m. -- and so Beard did not allow it. **Status:** LIKELY BUYER

**3RD CD:** Republican: U.S. Rep. Mark Souder.

Democrat: Michael Montagano. **2008 Outlook:** The DCCC Montagano to its Red to Blue Program. Candidates named to this program are considered to be amongst the top candidates across the country, having skillfully demonstrated that they stand for change and will represent new priorities when elected to Congress. "Mike Montagano's appointment to the Red to Blue program is further proof that Hoosiers are tired of the economic mess we're in and are clamoring for change. He is set to unseat Mark Souder and deliver results for the Third District," said Dan Parker, Chair of the Indiana Democratic Party. **Status:** LEANS SOUDER

**9TH CD:** Republican: Mike Sodrel. Democrat: U.S.

Rep. Baron Hill. **2008 Outlook:** Hill has gone negative for the first time, coming on the heels of his no vote on the bailout. These are signs that this race may be tightening. Hill is running the generic Democratic ad, just like Andre Carson ran in his special election race against Jon Elrod, attacking former U.S. Rep. Mike Sodrel for supporting the privatization of social security (Advance Indiana). A YouTube clip of Hill at a town hall meeting in 2004 makes clear that he likes the idea of privatizing social security, noting that he worked for Merrill Lynch before being elected to Congress. More importantly, the ad completely misrepresents Sodrel's position on the issue as Hoosier Pundit points out: The ad repeats an old and discredited assertion that Mike Sodrel supports the the privatization of Social Security. An ad in 2006 claiming just this was so discredited and untrue that there were calls for it to be pulled from the air. The very Courier-Journal article cited in the ad as the source of Sodrel's position says that this is untrue. **Status:** LEANS HILL

## Legislature

The Obama-McCain presidential race continues to cast a long shadow over Indiana House races. HPI's Horse Race continues to keep eight races in its Tossup zone one month out, with the specter of the big Obama voter



registration drive influencing almost them all. In addition, we've moved HD92 held by State Rep. Phil Hinkle from a "likely" into a "leans" status due to the Obama registration drive.

House Republican campaign coordinator Mike Gentry tried to convince us that two open seats - HD26 and 63 - should no longer be in the tossup category. "They both look very favorable to us," Gentry said of the Randy Truitt/John Polles race in HD26 and the Mark Messmer/John Burger race in HD63. But tempering any internal poll leads for Republicans Truitt and Amos Thomas are the Obama registration drives on college campuses in those districts, particularly Purdue. The Messmer/Burger race is one that may be impacted more by the gubernatorial race than the Obama/McCain showdown.

In HD44, former Greencastle mayor Nancy Michael is pressing State Rep. Thomas. Both parties believe that race will be close. Could greater student participation at DePauw University's 2,600 students impact that race.

In another historically close race - HD31 where State Rep. Tim Harris is being challenged by Democrat Joe Pearson - African-American precincts in the city of Marion where turnout is expected to exceed 90 percent due to Obama, could alter the outcome there.

Observers in both parties tell HPI that three Indianapolis districts - HD89, HD97 and Hinkle's HD92 - could also be impacted by high African-American turnout for Obama. "Marion County, for different reasons, is fertile ground for Obama impact," said House Democratic campaign coordinator J.D. Lux.

Despite the potential Obama impact, Gentry said that the atmosphere for Republican House candidates this year, compared to 2006, is much better. "The Republican generic ballot has improved," Gentry said. "After 2006, I'll take what we're dealing with this year."

Here is a race-by-race look at the most competitive House seats:

**HD5:** Democrat: State Rep. Craig Fry. Republican: Dave Miller. **2008 Outlook:** Miller, the former two-term Elkhart mayor, has dropped some nasty mailers

## Indiana House Horse Race

### Democrats

51

HD26 (Open) Polles vs. Truitt  
HD63 (Open) Messmer vs. Burger  
HD46 Tincher vs. Heaton

HD5 Fry vs. Miller  
HD17 Demobowski vs. MacKillop

HD36 Austin vs. Burrows  
HD68 Bischoff vs. McMillin  
**HD62 Blanton vs. Tarr**  
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  
HD35 Lutz vs. Mengelt  
HD4 Soliday vs. Chubb  
**HD92 Hinkle vs. DeKemper**

### Likely

HD38 Clements vs. Snow  
HD37 Reske vs. Gaskill  
**HD52 (Open)Yarde vs. Papai-**  
**HD48 Neese vs. Hardy**

### Safe

**Democrats:** Lawson, Harris, C. Brown, Bauer, **Cheatham**, 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 Haften, 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. ❖

that had Fry complaining about isolating amendment votes. Gentry said that last GOP poll had Fry leading by 11 percent, but that Fry's re-elect numbers were problematic. But Gentry also said, "I can't sit here and say we'll be there at the end." **Status:** Leans Fry

**HD15:** Democrat: Myron Sutton. Republican: State Rep. Don Lehe. **2008 Outlook:** This was one of three recount races in 2006. Lux said that it will likely be close again with a big Obama push in Porter county. "Myron is a better candidate a second time around," Lux said. "He's campaigned longer and wiser this year." **Status:** TOSSUP

**HD26:** Democrat: John Polles. Republican: West Lafayette Councilman Randy Truitt. **2008 Outlook:** Gentry said that in five GOP polls since late spring, Truitt has had leads outside the margin of error. He is now dropping mail and running TV. "Obama and registration will be a factor which plays to our favor," Lux predicted, due in part to more than 4,000 new Purdue University student registrations. **Status:** Tossup

**HD31:** Democrat: Joe Pearson. Republican: State Rep. Tim Harris. **2008 Outlook:** Democrats are sending out attack mailers on Harris,





who won the last two elections by razor thin margins. Gentry acknowledges that Obama did well in Marion's African-American precincts, but added, "Harris has done a decent job in those precincts." The \$64,000 question no one can answer is how will these new Obama voters act? Will they vote straight Democrat? Will they just vote for Obama? "We really like Joe Pearson's opportunity there," said Lux. "As close as it's been, it may only take a few extra votes." He said the Obama turnout won't be on the scale of Indianapolis or Purdue, but added, "If they're there in Marion, it will be positive for Democrats." **Status:** Tossup

**HD37:** Democrat: State Rep. Scott Reske. Republican: Kelly Gaskill. **2008 Outlook:** The Republicans dropped nasty nailers against Reske on what he calls "obscure amendment votes" on sentencing time off for good behavior and the referendum portion of HB1001. On featured a lobbyist with a big cigar. There have been two positive mailers for Gaskill and three negative mailers against Reske. Lux calls it a "trash the incumbent campaign" and adds, "They're trying to make this competitive." Gentry said that recent polling shows Gaskill has a shot. "The message seems to be working pretty well on Scott's bad votes," Gentry said. "We've put some folks on the ground up there. That race came alive just recently." We suspect this is a GOP maneuver to draw caucus resources into what is likely a black hole. At this point, we think Reske will return, though he appears to be taking nothing for granted and is walking his district. **Status:** Likely Reske.

**HD44:** Democrat: Nancy Michael. Republican: State Rep. Amos Thomas. **2008 Outlook:** Both sides predict this will be a cliff hanger. "Our polling had Amos up but barely outside of the margin," Gentry said. "She's got good name ID. Amos is running an all-out campaign, mostly mail." A heavy DePauw turnout for Obama could make the difference. **Status:** Tossup

**HD46:** Democrat: State Rep. Vern Tincher. Republican: Bob Heaton. **2008 Outlook:** Democrats are dropping negative mailers on Heaton, suggesting they are concerned. "Bob was down by the margin of error," Gentry said. Lux said that Tincher's role in the 2007 legislative session on the immigration issue will help him. "They respond well to his role on the immigration issue and the lead he took," Lux said. "He's sincere about it and it cuts across economic lines." **Status:** Tossup

**HD63:** Democrat: DuBois County Commissioner John Burger. Republican: Mark Messmer. **2008 Outlook:** Messmer picked up key endorsements from the Indiana Chamber and the Indiana Manufacturers. Gentry said that Messmer has maintained a significant lead in Republican polling. Burger is running TV in Evansville and Terre Haute. Lux said that Burger is "uniquely situated" to win the race, though he calls this district more Republican leaning than its companion open seat in HD26. **Status:** Tossup

**HD89:** Democrat: John Barnes. Republican: Chris-

topher Swatts. **2008 Outlook:** Barnes has maintained a heavy cable TV buy. This district has about 7 percent African-American and those precincts will turnout heavily for Obama. Gentry said that GOP polling has Gov. Daniels with a 30 percent lead in this district over Jill Long Thompson. So this is a classic Daniels vs. Obama coattails battle. Lux flat out states, "John Barnes will be the next state representative" and says this is "fertile ground" for Obama impact down ballot. **Status:** Tossup

**HD92:** Republican: State Rep. Phil Hinkle. Democrat: Stephanie DeKemper. **2008 Outlook:** Hinkle has to be worried about the magnitude of the Obama turnout in this race. We moved this from likely to leans Republican. **Status:** Leans Hinkle

**HD97:** Democrat: Mary Ann Sullivan. Republican: State Rep. Jon Elrod. **2008 Outlook:** We expect this race to close up. Sullivan hit the airwaves early and will likely close the gap. Republicans still talk about a 20 point lead Elrod had late summer. African-American turnout is expected to be in the 9 to 10 percent range said both Lux and Gentry as well as former State Rep. Ed Mahern who lost to Elrod by just a hand full of vote. Again, this is Obama coattail country. Elrod is canvassing the district at least four days a week and knows he's in for a fight. Lux said of the 20 percent Elrod lead, "That's probably polling they used to get him back in the race." The GOP nomination stood open until Elrod resigning from his 7th CD nomination. **Status:** Tossup

**Notes:** Horse Race has released State Rep. Dave Cheatham from competitive status and now lists HD69 as a "safe" Democratic seat. He, now, can go back to his class. Several other incumbents in the "likely" zone - Tim Neese, Bob Bischoff, Paul Robertson and Sandra Blanton - are a week or two away from reaching such a cherished promise land as we continue to ruminate and cull.

## Statewides

**Attorney General:** Republican: Greg Zoeller. Democrat: Linda Pence. **2008 Outlook:** Zoeller was endorsed by the Indiana Manufacturers. Zoeller announced Wednesday that he will seek additional authority for fighting public corruption by the Office of the Attorney General. "Fighting public corruption will be a priority in the Office of the Attorney General," said Zoeller. "Our goal will be to provide greater public confidence in the handling of taxpayers' money." Zoeller noted it is the statutory duty of the Attorney General to collect public funds following the certification of an audit by the State Board of Accounts. **Status:** Tossup ❖



## Wendell Willkie's Elwood

By **DAVE KITCHELL**

ELWOOD - In the annals of LIFE magazine's classic photography is an image that can easily be imagined on a drive through this small Indiana city on a county line.

Of all the pictures that ever graced the cover of what was once America's most read photo magazine, the picture voted the best campaign photo of all time was taken here. Wendell Willkie, the last Indiana presidential candidate on a major party ticket, was pictured standing up in a convertible, waving at crowds lining the streets. Star-spangled bunting dressed old-fashioned streetlights, framing a black-and-white image of a candidate campaigning in main street America.



That was more than 60 years ago. He was a Republican who is remembered in few places in this state aside from the

Indiana University residence hall bearing his name and the old Durbin Hotel in Rushville where his national campaign headquarters were located.

Before that historic moment in the 1940s, Elwood became known for something else that wasn't pictured so proudly by magazines. It was a hotbed of Ku Klux Klan activity.

**Ironically, less than** an hour away in the Russiaville area, thousands of slaves escaped the South on the Underground Railroad as they followed a Quaker connection north from Richmond.

Today, there is no evidence of the Klan in Elwood. At the east edge of town on Ind. 28, hanging planters with overflowing blossoms grow as tall as basketball players and they wear their own school colors. On the north side of the road is Mr. Happy Burger, the cousin of the only other Mr. Happy Burger restaurants in my hometown, Logansport. Both started in the 1960s when drive-ins sprang up in every town or city Elwood's size or larger.

Every time I look at that photo of Willkie, I think how hopeless a task he had before him. He ran against the man who won more presidential terms than any other, Franklin D. Roosevelt. It was at a time when Roosevelt was enjoying his greatest popularity. Yet Willkie campaigned on the main street of this town where he was a favorite son. Even now, his name appears

raised in concrete from an archway salvaged from the old high school. It stands downtown as a monument to the past, and to a time when Indiana and its politicians really mattered in national politics at many levels.

I don't know when or if a presidential candidate will come to Elwood again. I don't know if a photographer from Time, Newsweek or US will be there to chronicle the visit with a Nikon. I don't know that presidential candidates even care about the swing voters in towns so small they probably would forget the names the next day.

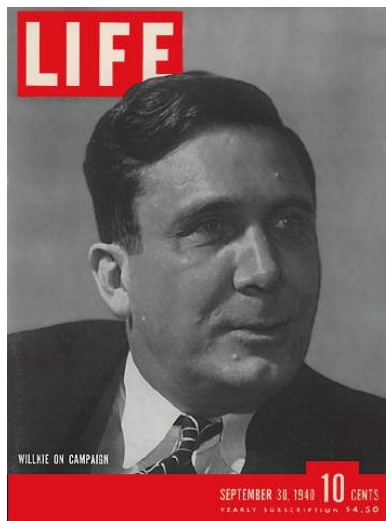
**What I do know is that** in this very uncommon presidential election year, Indiana appears as a state up for grabs while many states are leaning Republican or Democrat. Polls can't paint an accurate picture of the leader in this race, or how much they are ahead. Like the weather in Indiana, if you don't like what you see, stick around a day. It will change. This year, so do the polls.

What I also know is that if by some chance Democratic Sen. Barack Obama does win Indiana and the presidency, one of the ironic places national camera crews and magazine journalists may come to visit is this very spot. Wouldn't it be ironic if a place where the Klan once rallied and where a Republican son ran for president of the United States actually became part of a state that elected the first African-American president who happened to be a Democrat? In some ways, that would be a better American story than Milan's upset of Muncie Central and a better movie than "Some Came Running" which was filmed in Madison and starred Frank Sinatra, Dean Martin and Shirley MacLane.

Indiana was the state where Lincoln grew up and where a defining moment happened in that future president's life. An escaped slave appealed to Lincoln to help him, but Lincoln was powerless as a young man to do anything about it, and so was the slave. The story of the Emancipation Proclamation may have ended in the 1860s in Appomattox, but it likely began in Indiana in the early 1800s when Lincoln really was a rail splitter and lived near the border between freedom and slavery.

**Indiana was a beacon** of freedom for slaves headed north of the Ohio River, but the Klan's bitterly racist activity lived on well after Lincoln's death and into the 20th Century. In fact, historians link at least one Indiana governor's election in the 1920s to the Klan's influence in Indiana politics.

It's easy to sit back and think how far this country has come since then. At least, it's easy until a Klan rally happens in places such as Rochester, Peru or Lafayette. I know what they look like. I know what the vitriol is like. I've







heard not only the hatred in the voices of the Klansmen, but the protesters calling them down behind riot fences on courthouse squares. In Peru, I'll never forget a courthouse square cordoned off with city trash trucks. To my dying day, I'll wonder if Peru officials weren't trying to make their own political statement about the Klan by blocking off access to the Klan rally that way. I'll never forget the face of one African-American officer who wasn't from Peru. He had either been assigned to work the rally or volunteered. His presence there as a professional law enforcement officer also spoke volumes about the racism that once existed in the country that prevented African-Americans from holding positions of authority.

**There's a part of me**, as a Hoosier, that wants to think those days of racism are far behind us. But the rallies I just mentioned were just over a decade ago.

Somewhere in heaven, there are people like former state Democratic Chairman Frank McHale who fought the Klan. As urban legend has it, McHale, a former University of Michigan lineman and member of the Indiana Football Hall of Fame, stood in the middle of a downtown Logansport street, glaring at hooded Klansmen who didn't dare to nudge him on the way by. Some connect McHale to the destruction of the Klan headquarters in Logansport. McHale, whose name is still prominent in front of one Indianapolis law firm, was many things to many people, and died a multi-millionaire. But aside from being a Democrat, he wasn't afraid to stand up for beliefs, values and the ideals upon which the country was founded. All men, it has been said, are created equal. All men, McHale would be saying now, are created equal in presidential politics. And to some degree, so are women, he would say, referring to Hillary Clinton and Sarah Palin.

**In some ways**, the Elwoods of our country are insulated from so many problems that span from Wall Street to the Middle East and from global warming to the Arctic National Wildlife Refuge. But the issue of race is one that can resonate in the Elwoods of Indiana and the world.

I'm not wishing John McCain bad luck. But if by chance Obama does win the presidency, and if he wins Indiana, I'll be curious to see how Elwood voted. If local residents vote for Obama, I think Willkie would be proud of them.

Elwood, like so many Indiana communities, is at the crossroads of America, which makes for a fitting state motto. Once it was part of a burning crossroads of America when the Klan was here. Some day soon, its residents may be living in a place that's at a crossroads of Indiana's past and America's future. ❖

**Dave Kitchell, a veteran Indiana columnist who was the CNHI columnist of the year in 2007, resides in Logansport and teaches journalism at Ball State University.**

## Horning doth protest

Libertarian gubernatorial candidate Andrew Horning responded to HPI's Horse Race in the Sept. 25 edition in which we said it was tough to take the party serious when it doesn't do the things it needs to do to win (i.e. raise money, recruit candidates, advertise, etc.)

\* \* \*

### By ANDREW HORNING

**FREEDOM** - Brian, a lot of people respect your opinions. When it comes to the irrelevant, misleading "horse race" aspect of politics, you're generally correct. But disregarding for the moment that you don't discuss truth versus fiction or, heaven forbid, right versus wrong, you're factually wrong about the nature of political organizations, and the way voters respond to them.

**You talk of Libertarians** "organization" and "fundraising" as though you don't know the laws written against us, and the effects of media coverage. Surely you know that since McCain/Feingold the entrenched parties can ask for twice as much money as can any challengers. You know that we're more likely to be kicked off ballots, and we're almost always excluded from media coverage; even to the point where a bright guy like you thinks we've only elected one Libertarian in Indiana, when that just ain't so! We still do have Libertarians in elected office. In Indiana. But who ever hears about that?

I ran as a Libertarian for Congress and got 3 percent. I ran as a Republican for the same office only two years later, and got 45 percent without any significant fundraising at all. I had no more "organization," unless you consider how hard I had to fight against the GOP.

But wait, there's more. Whenever I'm called "probably irrelevant" (Indy Star), or a "spoiler" (practically everybody), the thousands who'll vote for me are really the ones called irrelevant spoilers.

**You are fundamentally wrong** about what elections are all about. They are not about organizations, money, the strings that you never mention go with the money, or even the candidates. Elections are all about voters. Yes, after the election, when candidates no longer care about voters until next Election Day, candidates matter. But on Election Day, voters run the world. We can't dodge that bullet. There's nobody to blame for any of our governments' problems except voters.

And they trust people like you to grant the imprimatur of legitimacy to candidates. If you think this is all about money and entrenched powers, then you support what most voters say they hate most about politics.

If you call Mitch "the Governor" and call JLT "challenger" you (I know you admire Mitch) directly support incumbency against voters' feelings about change and term limits. ❖



**David Brooks, New York Times:** This generation of political leaders is confronting a similar situation, and, so far, they have failed utterly and catastrophically to project any sense of authority, to give the world any reason to believe that this country is being governed. Instead, by rejecting the rescue package on Monday, they have made the psychological climate much worse. George W. Bush is completely out of juice, having squandered his influence with Republicans as well as Democrats. Treasury Secretary Henry Paulson is a smart moneyman, but an inept legislator. He was told time and time again that House Republicans would not support his bill, and his response was to get down on bended knee before House Speaker Nancy Pelosi. House leaders of both parties got wrapped up in their own negotiations, but did it occur to any of them that it might be hard to pass a bill fairly described as a bailout to Wall Street? Was the media darling Barney Frank too busy to notice the 95 Democrats who opposed his bill? Pelosi's fiery speech at the crucial moment didn't actually kill this bill, but did she have to act like a Democratic fund-raiser at the most important moment of her career? And let us recognize above all the 228 who voted no — the authors of this revolt of the nihilists. They showed the world how much they detest their own leaders and the collected expertise of the Treasury and Fed. They did the momentarily popular thing, and if the country slides into a deep recession, they will have the time and leisure to watch public opinion shift against them. House Republicans led the way and will get most of the blame. It has been interesting to watch them on their single-minded mission to destroy the Republican Party. Not long ago, they led an anti-immigration crusade that drove away Hispanic support. Then, too, they listened to the loudest and angriest voices in their party, oblivious to the complicated anxieties that lurk in most American minds. Now they have once again confused talk radio with reality. If this economy slides, they will go down in history as the Smoot-Hawleys of the 21st century. With this vote, they've taken responsibility for this economy, and they will be held accountable. The short-term blows will fall on John McCain, the long-term stress on the existence of the GOP as we know it. I've spoken with several House Republicans over the past few days and most admirably believe in free-market principles. What's sad is that they still think it's 1984. They still think the biggest threat comes from socialism and Walter Mondale liberalism. They seem not to have noticed how global capital flows have transformed our political economy.

**Mark Bennett, Terre Haute Tribune-Star:** Locust Street is a long way from Wall Street. The troubles in that New York financial district so tightly gripped America last

week that President Bush used the word "panic." He pleaded with an adversarial Congress to accept his \$700-billion plan to rescue teetering investment and lending titans. He even compromised. You know things are dire when Republicans and Democrats in Washington work fast, and together. They were trying to avert "a long, painful recession," Bush said. Terre Haute began feeling the pain long before last week. The calls to the Catholic Charities food bank at 1356 Locust St. have increased this year, swelling after disastrous June floods, layoffs and plant closings. Every day, more than 100 children turn to the nonprofit agency for their evening meal. "And they wouldn't get any meal otherwise," said Pat Etling, director of the food bank. The requests for help are growing. "People are in dire, dire situations," she added. "People are losing their homes, can't pay their bills, and they can't eat their cars." As the economy worsens, the community's ability to respond with donations lessens, too. Etling can't recall a grimmer stretch locally. "Not to the extent it is now, no. Heavens no," she said.



**Gary Gerard, Warsaw Times-Union:** Albert Einstein defined insanity as doing the same thing over and over while expecting a different result. That's pretty much the way I see this bailout of financial institutions. See, I am a big proponent of free markets. So the thought of the government having such a huge stake in investment banks really rubs me wrong. And I really can't take what I'm hearing from Barack Obama. He keeps blaming John McCain, the GOP and deregulation. Well, yeah, he is a deregulator. He, like me, believes in free markets. He, like me, believes that bad decisions are punished in the marketplace. But when you fiddle with the marketplace, the punishment is abated, or as in this mortgage mess, delayed. It wasn't government deregulation that got us into this mess, it was the government poking its nose into free markets. Back in the '90s, government got it in its head that everybody in America should own a home. During the '90s, changes were made to the Community Reinvestment Act. The CRA, originally passed in 1977, forced banks and other lenders to offer credit throughout their entire market area. It prohibited them from servicing only wealthier neighborhoods. Basically, it gave loans to people who probably wouldn't qualify under pre-existing norms in the industry. The act was mandatory. Banks are evaluated and feds look at the evaluations when considering applications for deposit facilities, including mergers and acquisitions. It's the classic carrot-and-stick approach the government takes to make sure its rules get followed. In 1995, during Bill Clinton's administration, the act's regulations were strengthened. Basically, the feds became more focused on making sure these lenders were lending to people who couldn't afford the loans. ❖





## Poll weighs race and gender in Indiana

SOUTH BEND - Race and gender don't seem to matter to most voters, according to a South Bend Tribune/WSBT statewide poll conducted Monday and Tuesday (Ronco, South Bend Tribune). Of 600 likely



Hoosier voters, 86 percent said they would vote for a black person to be president. Four percent said they wouldn't vote for a black president, and 10 percent weren't sure. On gender, 89 percent said they would vote for a woman. Four percent said they wouldn't; 7 percent weren't sure. The Tribune/WSBT poll also asked people how they thought their neighbors would vote. About 78 percent said their neighbors would vote for a black presidential candidate, while 85 percent said their neighbors would vote for a female gubernatorial candidate. "I've asked this in Florida, I've asked this in Missouri, I've asked this in Wisconsin," said Del Ali, of Research 2000, which conducted the poll for the Tribune and WSBT. Even though only 4 percent of people said they wouldn't vote for a black presidential candidate, the number could be significant in a close race, such as Indiana's. "It's a low number, but notice how the number goes up when you ask (about) your neighbor?" he said. Some 13 percent said their neighbors wouldn't vote for a black person. That's likelier a reflection on people's perception of how they see others, Ali said. Sen. Barack Obama's Indiana press secretary, Jonathan Swain, said the campaign has not encountered racial problems in Indiana. "Our conversations that we continue to have by and large across the state are really focused on the bigger issues in the campaign," he

said. "People across the state, we're finding, are more concerned about the economy." Democratic gubernatorial candidate Jill Long Thompson's campaign spokesman, Jeff Harris, worked on state Sen. Vi Simpson's campaign for governor in 2003. "Four years ago, it was noticeable," Harris said. "This time ... we haven't really run into that. Jill's never really run into that on the campaign trail."

## Jobless rate at 7-year high

WASHINGTON - The number of out-of-work Americans filing new claims for unemployment insurance rose last week to a 7-year high, according to a government report released Thursday (CNN). The Department of Labor said initial filings for state jobless benefits increased by 1,000 to a seasonally adjusted 497,000 in the week ended Sept. 27.

## JLT unveils foreclosure plan

INDIANAPOLIS - Democratic gubernatorial hopeful Jill Long Thompson on Wednesday outlined several legislative changes she would push to combat the home-foreclosures crisis in Indiana (Kelly, **Fort Wayne Journal Gazette**). "We're going through some very tough times, and we need to be doing everything we can at the state level," she said. "We need to have policies that are going to work for our families." According to second-quarter statistics, Indiana ranks sixth in the nation in number of foreclosures. In recent years, the state sometimes has led the nation. Long Thompson quoted a recent study by the Center for Responsible Lending, which estimated 48,000 homes will be foreclosed on in Indiana in the next two years. To avoid future foreclosures, Long Thompson advocates three legislative changes: • Require a face-to-face meeting between the borrower and

lender for all owner-occupied properties scheduled for a foreclosure sale. • Extend the foreclosure notice period from 90 days to 120 days. Indiana allows the buyer the right to "redeem" the mortgage from the foreclosure proceedings by paying off the debt before the court-ordered sale of the home. Long Thompson wants to extend the period between the filing of the foreclosure and the time the lender can request the foreclosure sale to give the owner more time to refinance the home with another lender. • Ban predatory mortgages, including loans clearly based on unrealistic assumptions about income, loans with high rates or deferred rate adjustments, and loans based on inflated appraisals. The legislature passed a bill this year that strengthens some of the state's mortgage laws, but Long Thompson said the measure doesn't go far enough.

## Curley protests ACORN registrations

CROWN POINT - Lake County Republican Chairman John Curley wants a federal investigation into hundreds of voter registrations bearing fictitious signatures or the names of dead and underage people (Times of Northwest Indiana). "Fraudulent applications are the workings of ACORN groups operating from Milwaukee and Chicago who are getting out the vote for Obama. I'm Republican, but I want everyone who should vote to vote. But I want a clean election," Curley said at a Wednesday news conference. Lake County elections officials acknowledged they have found problems and had to reject a large portion of the 5,000 registration forms turned in recently by the Association of Community Organizations for Reform Now, or ACORN, an activist group that conducted registration drives across the county this summer. An ACORN spokesperson couldn't be reached Wednesday for comment.