



## Peterson taxed in the crosshairs

*Reaction to property taxes has mayor fighting for political life*

By **BRIAN A. HOWEY**

INDIANAPOLIS - Mayor Bart Peterson appears to be in the fight of his political life with the underfunded, Republican Greg Ballard despite the party hierarchy's lack of interest in the race.

An Indianapolis Star/WTHR poll showed Peterson with a 43-39 percent lead. Marion County Democratic Chairman Mike O'Connor called the poll flawed, saying the Star originally told Peterson he had a 2 percent lead. O'Connor declined to release the campaign's internal polling.

But in the last 48 hours, the Peterson campaign has unleashed two attack ads at Ballard. The first used quotes from Monday's Indianapolis Star editorial that noted that Ballard wasn't "remotely qualified" to lead the nation's 12th largest city. A new ad that debuted Wednesday uses grainy, black and white images of Ballard that reminded some observers of the ads in the 2006



Indianapolis Mayor Bart Peterson made some bold and controversial decisions the past couple of years on police mergers and crime, but the property tax issue is clearly vexing his re-election campaign. (HPR photo by Brian A. Howey)

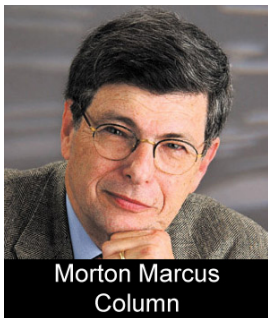
Baron Hill/Mike Sodrel congressional race. The ad mentions Ballard by name and questions his military background. It

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## The G-man's plan fans

By **MORTON J. MARCUS**

INDIANAPOLIS - This is why I like Mitch Daniels. Speaking about his property tax program he said, "When Indiana acts this time, and act we must, our steps must be fair, far-reaching, and final." Look at that alliteration ... "fair, far-reaching, and final". Who else in public life gives us sentences like that? Look at his idealism: "fair, far-reaching, and final." Our state is known for its persistent lack of fairness, its short-sighted special interest legislation, and its never-ending tinkering. Mitch thinks he



Morton Marcus  
Column



"So what lobbyists for various special interests say and what their members actually think are not always synonymous."

- **Gov. Mitch Daniels, to the Indianapolis Star**



can overcome this history.

The Governor's property tax program is an efficient political statement that apportions goodies to everyone.. Homeowners are given the most favored treatment because they constitute a majority of voters. As the Governor puts it: "There's something special about homeownership and we want to protect it and promote it,"

For conservative Indiana this is a remarkable statement. Is it government's job to jab its big feet into our investment decisions? Should Indiana favor one form of private investment over another? Isn't that excessive government intrusion into our affairs?

**Under the** Governor's plan homeowners would see their property taxes capped at 1 percent of assessed value. The Daniels folks tell us that today "55 percent of homeowners pay property taxes in excess of 1 percent of their home's value." That's what I like; these folks consider the facts.

Yet, what makes 1 percent of assessed value 'fair'? Why is it fair for rental residential property to bear a 2 percent cap and commercial/industrial to suffer a 3 percent cap? If we are taxing property, why discriminate by use? Is the lawn of an owner-occupied property more precious to us than the lawn in front of a dentist's office?

To ensure that these inequities endure, the Governor seeks a Constitutional amendment to preserve the details of this proposal. Such changes would give legitimacy to the long-standing discriminatory violations of the Indiana Constitution passed by previous General Assemblies.

**Some people** who don't know the meaning of tax incidence assert they know businesses can pass on higher taxes to customers, but that homeowners are stuck with whatever higher taxes they pay. Believe me, no reputable economist will assert anything but ignorance about who bears the ultimate burden of a tax. If sales taxes rise to cover lower property taxes, consumers will buy less

The Howey Political Report is published by NewsLink Inc. It was founded in 1994.

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Subscriptions:  
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\$550 annually HPR & HPR Daily Wire.  
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and/or pay more for what they get. If they buy less, both the consumer and the retailer, her employees as well as his suppliers, will all be unhappy. But their unhappiness depends on how much they benefit from the lower property taxes.

How much less do you weigh when you take change out of your right pocket and put it in your left pocket? That's what is being proposed here: cut property taxes and raise both sales and personal income taxes. But wait, there is more:

**The Governor's** proposal (like proposals made by Democrats and Republicans for years) says we must cut local spending. Is our local public spending too high? Are our public schools too good for our children? Does the level of education over-qualify them for the future? Are our police and fire departments too well-equipped? Do we over spend on public health? Are our streets too clean and our sidewalks (if any) in decent condition?

How much local spending is mandated but not funded by the state? Yes, it's always easy to blame the locals, but then Indiana, for the past 40 years, has expressed contempt for local representative government. Mitch's proposals are fully within this tradition.

First, the Tax Board in each county, not directly elected by the people, is to sit as a super-governmental entity, empowered to review

and approve or reject the spending programs of all government. This is not new. It's a question of emphasizing the word "all" and making sure that these boards have teeth. But why is their judgment superior to that of the elected representatives who propose the spending?

**Second, the** Governor wants to keep local spending increases from exceeding the six-year growth rate of personal income in a county, unless approved by the voters. This presumes that our needs are related to our collective income and its past growth. It runs the danger of government spending trailing needs because the public rarely sees beyond its collective noses. We elect officials to study needs and examine alternatives with an eye to the future. Referendums often are based transitory, even hysterical, swings of public opinion, not fact.

Similarly, the Governor wants "significant" capital expenditures approved by public referendum. Once again representative government is demoted and public ignorance is elevated. Remember the writings of the founding fathers in the Federalist Papers? Perhaps back then there was more concern about good government and less fuss about property taxes. ❖

**Mr. Marcus is an economist, writer, and speaker formerly with the Kelley School of Business at Indiana University.**



conjured images of an embattled Sue Anne Gilroy in her 1999 campaign against Peterson who used similar negative tactics. In that race, Peterson was the unknown and the Gilroy campaign went very negative in the final week about his lack of experience and the bad things he would do as mayor because they were behind. It only made Peterson's winning margin larger.

As one observer told HPR this morning, "They have gone from these sunny feel good ads to hard negative and that looks pretty panicky. They have spent millions on ads and apparently nothing they have done has worked so this might not either. People don't want to vote for Bart. Right now the Democrats are trying to depress the Ballard vote."

Ballard responded by saying, "In my 23-year military career, I held numerous positions that called upon the same kind of skills one would utilize as mayor. I am sure that I am more prepared now than Mr. Peterson was when he first ran for mayor eight years ago and I am certainly prepared to lead Indianapolis today. But the worst part of Mr. Peterson's ad is that it implies that service or a career in the military just isn't good enough and it tells Hoosiers in the military that they are not qualified for public service. History, of course, says otherwise. Our nation's veterans have historically used their military training and leadership to become some of the best leaders in politics, business, and their communities."

Ballard concluded, "Mayor Peterson and I have disagreed a lot about our city's problems and the solutions, especially taxes, spending and crime. But I have not questioned his personal abilities and I am disappointed that the Mayor's campaign has taken a different course."

**Ballard also kicked** off his own "living room" TV ad, with the Republican looking directly into the camera, saying, "I'm Greg Ballard. This election shouldn't be about Democrats or Republicans. To me, it's about the future of our city. Taxes are the highest they've ever been, seniors and young families are scared of losing their homes. Crime is still on the rise. You deserve leadership that is open

honest and accountable. I don't care about the politics. I care about our city and I know you do, too. So join me in putting Indianapolis back on its path to greatness."

**This dramatic finish** to one of the strangest races in memory (although nothing will top the Matt Kelty fiasco in Fort Wayne) reminds us of another upset: Greg Walker over Senate President Pro Tem Robert Garton in May 2006. The parallel there was Garton's 10-fold money

advantage over Walker, who exploited social divisions within the GOP and a lethal issue (legislative health care for life) to score a dramatic upset.

Peterson has more than 10 times the money of Republican Ballard in a city that is significantly trending Democratic against an opponent that has been all but ignored by the GOP hierarchy. But Peterson faces the same kind of emotional issue (property and income tax increases) that Garton did. While there is no split in the Democratic Party, the fact is that speculation swirls that U.S. Rep. Julia Carson is in the fight for her life (liter-

ally) and that a succession battle is already beginning to play out just beneath the surface. In past election cycles, if there was a high turnout in Indianapolis, it was due to a fully engaged "Carson Show."

The Carson office isn't doing anything to douse the rumors, announcing today that she is extending her leave of absence to mid-December. Multiple Democratic Party sources are telling HPR that they don't believe Carson will ever return to Washington.

**O'Connor told HPR last Friday** that while internal Peterson campaign polling shows the race close but with the mayor ahead, they've been acting like a campaign that doesn't have this election locked up.

Then came a third "Peterson Plan" earlier this week (what took so long?), an indicator that the Democrats are trying to exploit Ballard's lack of vision.

HPR has moved this race into "Tossup." Peterson has long acknowledged the environment is difficult. Next Tuesday, we'll find out if he is the first to suffer the sting of tax retribution by an angry populace. ❖



**This is one of two Greg Ballard TV ads began airing on Wednesday. Mayor Peterson has been running ads since May.**



## Why Mayor Peterson should be re-elected

By **BRIAN A. HOWEY**

INDIANAPOLIS - As a resident of Indianapolis, as a business owner, as a father of children in public schools here, as a son of retired parents living here, I have a great deal at stake in this election.



Brian Howey's Column

After watching the process unfold, after listening to Greg Ballard's case for change, I have concluded Mayor Bart Peterson is best prepared to serve the next four years as mayor.

If you were to go back through editions of HPR over the past year, you'll note that I questioned Peterson's wisdom in seeking a third term, quoting State

Rep. Winfield Moses Jr., who once lamented to me his decision to seek a third term as mayor of Fort Wayne. It was an election he lost to Paul Helmke.

Today, we face the specter of Peterson losing to Ballard. Several things trouble me about Ballard. He has failed to win over the confidence of key people in his own party. This is reflected in his inability to raise the money necessary to wage a modern campaign. I did observe that if Ballard could raise around \$250,000, given the climate surrounding the property tax crisis, he might have a chance to win. He has done that and now we wait to see if the anger of homeowners facing huge property tax increases will be enough to retire Peterson from public office.

And there have been many troubling aspects of Peterson's second term. His proposal to borrow money last summer for property tax relief was embarrassing and he wisely shifted course. I am concerned that he has been silent on key issues of the day that impact our city, whether it was declaring a position on Major Moves or the Commerce Connector, or the conduct of people like Coroner Kenneth Ackles and Indianapolis Council President Monroe Gray. They may ultimately drag him to defeat.

**Having said that,** I remember my days as news editor of NUVO Newsweekly and how we reported the crisis facing the Marion County judicial system. Peterson did a politically dangerous but wise public policy move last summer in seeking the income tax increase that will fund filling the gaping holes in the system.

As a taxpayer, I am never pleased about paying more taxes. But some of these problems have persisted and have been ignored for generations. The fact that dozens of Indianapolis Public Schools have no air conditioning is outrageous (and thus the tax-raising bond issues).

The fact that Peterson took on the billion dollar combined sewer overflow problem with a creative solution that met with approval from the EPA is an example of how his leadership has forged a better community.

The police merger was a generational achievement that further enhanced the Unigov reforms and will likely bring dividends to the community.

**As a resident** of the Marott Apartments a decade ago, there was no way I would ever walk my sons into the crack-infested Fall Creek neighborhoods just to the south. Today, there is an astounding revival there that is now steadily pushing into the prostitute-infested areas around College Avenue. When I drive by the Indiana State Fairgrounds, I see the seedy hotels and gas stations gone.

I also see Mayor Peterson as a voice for reform. In the coming months after the Kernan-Shepard Blue Ribbon Commission releases its report, Mayor Peterson will likely be a leading voice that can help move Indiana into a 21st Century mode of modern government. I suspect that is why Gov. Daniels has been so reluctant to entrust in Greg Ballard the keys to the nation's 12th largest city. With

Peterson's proposed fire department mergers that have been achieved in two townships, Peterson has been an activist in seeking to keep property taxes down. He is correct that most of these solutions must come from the Statehouse.

Having said that, I wish Peterson had been more willing to stand up to House Democrats last session when House Ways & Means Chairman Bill Crawford essentially scuttled his Indy Works proposals for a second consecutive session.

As a journalist, I have appreciated the access to this mayor.

Certainly Peterson has shortcomings, but being a mayor is often a balancing act and I know from covering mayors in other cities as a journalist that they cannot please everyone.

**It's also worth pointing** out that both political parties in Indianapolis have glaring problems. The GOP has done very little to create the perception that Ballard has the relationships needed to lead a complex city. The GOP essentially punted this year when it is my contention that Indianapolis should be a true two-party city for at least the next generation. Democrats, with the demographics of the city trending their way, have done little to instill great confidence after the Ackles and Gray debacles. If this is to be the majority party, they've got to deliver us more qualified public servants.

The fact that Peterson finds himself in political hot water today is not surprising given that after two terms, mayors often find themselves with many enemies. But the case has not been made that he should be replaced. Anyone who has followed my writing career knows I tend to reach out to change agents. In this case, the change agent is making tough choices ... in office. ❖





## Municipal elections and property taxes

By **BRIAN A. HOWEY**

INDIANAPOLIS – After a summer when angry taxpayers gathered for tea parties from Sylvan Lake, to Monument Circle, to downtown Muncie, to the Broad Ripple Canal, it comes as a mild surprise that the property tax issue hasn't become the driving force in the now concluding municipal elections.

In some cities – like Elkhart, Fort Wayne, Kokomo, Muncie, Jeffersonville and New Albany – there isn't an incumbent on the November ballot. The most conspicuous target for taxpayers carrying pitchforks has been Indianapolis Mayor Bart Peterson, who finds himself in the fight for his political life against novice Republican Greg Ballard, who hasn't been able to attract any financial or even notable verbal support from GOP heavyweights like state Chairman Murray Clark and Gov. Mitch Daniels.

Conventional wisdom dictated that taxpayers were so mad that they were prepared to lash out against the first targets, in this case mayors and city council members, who were up on the ballot on Nov. 6. Or as the legendary Eric "Otter" Stratton once said in the movie "Animal House," what is absolutely required is "a really futile and stupid gesture be done on somebody's part."

But veteran political writer David Mann, who has been monitoring the New Albany and Jeffersonville mayoral races for the **News & Tribune**, explains, "There has been some anger about (property taxes) in Floyd County, but most of that has been geared toward the assessor's office, (Gov. Daniels) and the Statehouse."

**That was underscored** by a statewide Research 2000 poll taken in September that sought answers to who was responsible for the property tax crisis. It found that 22 percent blamed the Indiana General Assembly, 19 percent Gov. Daniels, 13 percent the Department of Local Government Finance, 12 percent county assessors, 11 percent township assessors, 12 percent "all of them equally," and 9 percent Mayor Peterson.

Gov. Daniels issued his "cut and cap" property tax plan, which calls for 1 percent property tax caps for homeowners, 2 percent for renters and 3 percent for businesses. "Any plan that makes a real difference in property taxation will have to go to its root cause, and that is excessive spending," Daniels said. "Total local spending on school construction, libraries, fire departments, and all other lo-

cal services simply cannot keep rising faster than Hoosier incomes."

Note that he didn't mention cities or counties, where my experience as a government reporter in Elkhart, Fort Wayne and Indianapolis found virtually all mayors, councilmen and commissioners dedicated to keeping tax rates stable. Municipal voters in 2007 appear to understand this, and thus many of the current mayoral races are being waged on economic development, police and fire department staffing and other local issues.

**Which calls into question** some of the key tenets of the Daniels plan. Why constitutionally cap local spending (but not state spending?) when at least three entities – cities, towns and counties – have historically proven to be disciplined?

As for school construction, one of the first acts of Gov. Daniels was a moratorium on new projects. The result was voluntary cuts to the tune of almost \$200 million statewide in the first year – 2005. That bully pulpit worked. In

many quarters during this property tax crisis, schools have been blamed for most of the pain. And while there are plenty of basketball palaces, Astro-Turf football fields and \$14 million pools, there's another factor coming into play with public education: No Child Left Behind, a largely unfunded federal mandate brought about by Daniels' former boss, President Bush.

I recall a speech by former U.S. Sen. Dan Coats to the Indiana Senate back in the mid-1990s when he

addressed the coming "new federalism" and the resulting shift of costs from the feds to state to local governments.

The Daniels "cut and cap" plan calls for public referendums on any major municipal or school construction project, and a County Tax Board that would approve the spending of all local governments. The tax board would essentially be an unelected superstructure over elected officials. Already written into law, this step comes without addressing the real root cause of local spending, which is too many layers of government that will, apparently, be in the crosshairs of the Kernan-Shepard Commission on Local Government Reform in the coming weeks.

**The local referendums** would work progressively in some cities and counties, and hysterically in others, while breeding a new California-style industry that would bring the kind of emotional politics we see in congressional campaigns to scores of local communities.

As the 2007 municipal elections seem to indicate, Hoosiers might quibble with individual mayors or councilors, but local politicians are hardly the big tax-and-spenders that Statehouse leaders make them out to be. The blame for the Indiana's property tax mess should fall at the feet of state lawmakers. ❖





## His make or break issue at hand, Gov. Daniels pushes the arrogance limits

By **BRIAN A. HOWEY**

INDIANAPOLIS - A high-ranking aide and ally to Gov. Mitch Daniels made this e-mail observation on March 26: "Mitch Daniels has a tragic flaw - he treats those closest to him the worst. It took me a year to get (John) Hammond to understand that if he's shitty with you, it means he really likes you. Whatever his tendency is, it results in mistreating your friends."

In the hours after the release of his "cut and cap" tax plan, Gov. Daniels may have found pockets of an adoring public as he traversed the state from Elkhart to Sellersburg. But his allies in the Indiana Statehouse are still reeling and quietly seething from the gubernatorial backhands.

It reached a shrill pitch on Saturday when the governor attempted to drive a wedge between Indiana Chamber of Commerce leadership and out-state rank and file. While the Chamber likes many aspects of the tax plan, it is concerned about the "differential" between proposed residential, rental and business property tax caps. "I think they're wrong," Daniels responded flatly (**Indianapolis Star**). "There's something special about homeownership, and we want to protect it and promote it. So I have no problem providing a lower cap for homeowners than for business properties."

**If the governor** had stopped there, the comment would have been seen as clever play at populism at the expense of those loathsome "special interests." But then came the Mitch Slap: "I'll tell you this: I've seen a lot of businesspeople in the last three days, and their lobbyists may say one thing, but I've seen chamber presidents, small-business people, and they are very enthusiastic. So what lobbyists for various special interests say and what their members actually think are not always synonymous." Ouch.

An understatement would be to say that the Chamber is not amused. "I don't know what he's talking about, because our organization is not a lobbyist for special interest," Brinegar told the Star. "We represent the broad-based business community in all 92 counties . . . and we're

receiving a lot of e-mails and phone calls with concerns."

Nor was the Chamber particularly pleased that the press had isolated the one major point of contention between them and the governor. But it was a zinger.

**Some observers believe** it was a calculated political move (everything is always calculated by the smartest of all Hoosiers), aimed at gaining favor with the populists who have figuratively brandished pitchforks and assigned blame not to mayors and city councils - as the governor likes to suggest that local spending has gone haywire - but at the governor and legislature, as the October WISH-TV poll revealed. The problem for Gov. Daniels is that when the final chapters in the saga are written, he's going to need them (and, perhaps, even the press) as was crucial in Major Moves. And at this point, the Chamber, the Indiana Manufacturers, the Indiana Farm Bureau, along with ISTA, all have significant objections to the tax plan.

A complementary notion from the administration would be this: Where else are they going to go?

There are complaints that the governor has provided very little documentation to back up key underpinnings of the plan. Some see it as a re-election ploy, which shocks many of them. For the first three years of his term, Daniels was dismissive of virtually any notion that he conduct public policy for political gain. At least one of these organization (besides the ISTA) is pondering its 2008 endorsement options.

The problem for Gov. Daniels is that in ducking the property tax issue in early 2007, he created a "crisis" that could potentially derail a second term.

"The fact is that Indiana has suffered its largest property tax increase under this governor's watch," said Democratic gubernatorial candidate Jim Schellinger at the HPR Forum. "Your No. 1 responsibility is to steer us from the danger zone and this governor didn't do that." Democrat Jill Long Thompson called it a "complete breakdown in leadership."

**Daniels and Speaker** B. Patrick Bauer both need a comprehensive property tax solution this year. If it doesn't happen, heads will almost certainly roll. Bauer praised many parts of the plan, but he wasn't given the courtesy of a briefing. By the weekend, he was berating House and Senate Republicans for seeking to put the plan on a legislative fast-track.

It's an inauspicious start for an issue and process that has immense implications for all Hoosiers, including the smartest one at the very top. ❖



**Gov. Daniels got by with a little help from his friends during the Major Moves debate in 2006. (HPR Photo by Thomas Howey)**



## Democrats poised for mayoral pickups on Nov. 6

**TRENDLINE:** Nov. 6 is shaping up to be a potentially big day for Democrats around the state, particularly if Indianapolis Mayor Bart Peterson can defend his seat. Of the big prizes, it looks like Tom Henry will extend Democratic dominance in Fort Wayne to 12 years with the latest polling there showing him comfortably ahead of the indicted Matt Kelty. In South Bend, Mayor Stephen Luecke is still under 50 percent but has a 10 percent lead. We believe he will return. Evansville Mayor Jonathan Weinzapfel easily wins a second term over a discredited GOP opponent. The party is expected to hold on to City Hall at Lafayette with Mayor Tony Roswarski. Democrats look like they have the potential to pick up Republican seats in Elkhart, Madison, Kokomo, Marion and Muncie.



## 2007 Mayoral

**Anderson:** Republican: Mayor Kevin Smith. Democrat: Kris Ockomon. Independent: Roofer Bob Jozwiak. **2003 General Results:** Smith (R) 8,947, Rock (D) 7,821. **2007 Forecast:** We believe that Mayor Smith holds on to this City Hall. **Status:** LEANS SMITH.

**Crown Point:** Republican: Gayle Van Sessen; Democrat David Uran. **2003 Republican Primary Results:** Klein 1,447, Van Sessen 1,157, Roth 760. **2003 General Results:** Klein (R) 4,289. Isailovich (D) 2,158. **2007 Forecast:** We believe Van Sessen has a slight advantage in this race. She defended her leave of absence from the Chamber, saying that it is running smoothly. **Status:** LEANS VAN SESSEN.

**Elkhart:** Democrat: Dick Moore. Republican: Councilman Jim Pettit. **2003 General Results:** Miller (R) 4,730, Perron (D) 3,533. **2007 Forecast:** Pettit is running a heavy cable TV buy, but we still think this is Moore's race to lose. **Status:** LEANS MOORE.

**Fort Wayne:** Republican: Matthew Kelty. Democrat: Tom Henry. **2003 Results:** Richard (D) 27,251, Buskirk (R) 19,701. **2007 Forecast:** Henry has a 51-37 percent lead over indicted Republican Matt Kelty in the mayoral race. The Research 2000 for the **Fort Wayne News-Sentinel-WANE-TV** was conducted on Oct. 17-

19 with a margin of error of +/- 4%. The poll showed 12 percent were undecided. Michael Wolf, an assistant professor of political science at Indiana University-Purdue University Fort Wayne, said while the numbers aren't cemented, Kelty's numbers indicate he hasn't expanded his primary voting base. The only elected official to publicly laud Kelty was Rep. Mike Pence, R-6th, one of the event's main speakers. He praised Kelty for persevering in his campaign with "grace under fire." Kelty said it wasn't awkward sharing a dinner with Souder and even initiated a short conversation with the congressman before dinner. He also publicly thanked Souder for his work in Washington during his speech and asked people to vote a straight Republican ticket this fall, but Kelty left the event while Souder was preparing to speak. Souder said he supports the party's council ticket, but joked that he wouldn't be endorsing them. "They'd be a little reluctant to take an endorsement from me," he said. "It's not the most sought-after thing."

**Status:** LIKELY HENRY.

**Indianapolis:** Democrat: Mayor Bart Peterson. Republican: Greg Ballard. Libertarian: Fred Peterson. **2003 Results:** Peterson (D) 92,763, Jordan (R) 55,354. **2007 Forecast:** Peterson's re-election campaign is contesting the veracity of the Indianapolis Star/WTHR poll which showed him leading 43-39 percent (**HPR**). The campaign said that when the Star first posted the numbers, they had

Peterson leading Republican Ballard 41-39 percent. The Star also used that number when it interviewed Mayor Peterson, according to Marion County Democratic Chairman Mike O'Connor. That changed on the WTHR website to 43-39 percent. O'Connor said that the Star and WTHR are refusing to reveal the poll's methodology. The campaign said that the poll's African-American sample size was only 15 percent while the actual population is 25 percent. O'Connor said that the Star twice reweighted the sample. He said it used Indianapolis Metropolitan Statistical data from 11 counties in the poll. Ballard reacted to the poll by saying, "I think our message is getting out. We always

assumed we were pretty close." The property tax issue, which came to a head this summer when a state-ordered reassessment led to higher bills for many residents across Indiana, was cited by poll respondents as the top problem facing Indianapolis, with crime as a close second. Among the 44 percent of poll respondents who consider property taxes a major burden, a statistically significant margin — 45 percent to 34 percent — favor Ballard. Those who think property taxes are a minor issue or not an issue favor Peterson by a 14-point edge. "That's a big swing for one issue to have, so you can really see how that cuts against



Anderson Mayor Kevin Smith



(Peterson)," said J. Ann Selzer, president of Selzer and Co. Selzer conducted the poll by telephone Oct. 21-24. **Status:** TOSSUP.

**Hammond:** Democrat: Mayor Tom McDermott Jr., Republican: Matt Saliga. **2003 Results:** McDermott (D) 8,948, Dedelow (R) 8,196. **2007 Forecast:** We believe Mayor McDermott returns for a second term and will be a potential LG candidate in June 2008. **Status:** SAFE McDERMOTT

**Hobart:** Democrat: Brian Snedecor. Republican: John Guthrie. Independent: Eric Smith **2007 Forecast:** Our sources say that this race is too close to call with the 18-year-old Smith possibly altering the outcome. **Status:** TOSSUP.

**Jeffersonville: Democrat:** Tom Galligan.

**Republican:** Monty Snelling. **2003**

**Democratic Primary:** Waiz 2,187, Galligan 1,708, Muncy 252, Ogden 166. **2003 General Results:** Waiz (D) 3,711, Raymond (R) 2,354, Fisher (L) 118. **2007 Forecast:**

We think Galligan has the upper hand in this race. Snelling is on Eric Miller's property tax repeal bandwagon, but like in many other cities around the state, the voters aren't blaming city government for the property tax problem. Gov. Daniels will be in the city today for a major economic development announcement with Mayor Waiz (who lost in the primary). That might give Snelling a bit of a tailwind, but probably not enough to overcome former Mayor Galligan's comeback. **Status:** LEANS GALLIGAN.



**Kokomo:** Democrat: Councilman Greg Goodnight. Republican: Councilman Rick Hamilton. **2003 Primary Results:** Republican: McKillips 1,565, Donoghue 972, Bolinger 327, McKay 243, T. Hamilton 38. Democrat: Castner 1,360, Lushin 1,358, Alexander 969, Ellis 34. **2003 General Results:** McKillip (R) 5,229, Castner (D) 4101, Dunlap (I) 832. **2007 Forecast:** Goodnight has a great organization and a big money lead. This was demonstrated this past week when Goodnight's divorce court documents were posted on an antagonistic blog. The Goodnight campaign responded by releasing document that revealed Howard County GOP Chairman Craig Dunn had donated money to his campaign and urged him to set up a "good government" PAC (complete with cancelled check). The divorce paper thread was quickly pulled. The GOP is fractured, with supporters of Mayor McKillip vowing to vote for the Democrat. We think that trumps Democratic supporters of Andy Castner polling for Hamilton. **Status:** LIKELY GOODNIGHT.

**Madison:** Democrat: Tim Armstrong. Republican: Mayor Al Huntington. **2003 General Results:** Huntington (R) 1,746 (unopposed). **2007 Forecast:** We believe that Armstrong will defeat Mayor Huntrington. **Sta-**

**tus:** Leans Armstrong.

**Marion:** Democrat: Bill Henry. Republican: Mayor Wayne Seybold. **2003 Results:** Seybold (R) 4,547, Henry (D) 2,739. **2007 Forecast:** We believe this is a potential Democratic pickup with a former mayor returning to office. **Status:** TOSSUP.

**Mishawaka:** Democrats: Councilman Mike Hayes. Republican: Mayor Jeff Rea.

**2003 Results:** Rea (R) 5,691, Bodle (D) 4,225. **2007 Forecast:** Rea had 48-39 percent lead in a South Bend Tribune/WSBT-TV poll conducted Oct. 25-26 by Research 2000. Another 13 percent were undecided. Rea had a 12 percent lead when the first poll was taken Sept. 24 and 26. The margin of error for both polls is 5 percent. Rea said he's

"excited the people of Mishawaka think we're doing a good job." The poll came before the publication of the Business Executive Journal Magazine that accused Mayor Rea of "selling out" Mishawaka. **Status:** LIKELY REA.

**Muncie:** Democrats: Jim Mansfield Jr. Republican: Sharon McShurley. **2003 Results:** Canan (R) 7,211, Tyler (D) 6,758. **2007 Forecast:** Our sense is that with the Democrats united and hungry after 12 years outside City Hall, Mansfield wins this race. Might be closer than observers originally thought. **Status:** LEANS MANSFIELD.

**New Albany:** Democrat: Doug England. Republican: Randy Hubbard. **2003 Democratic Primary Results:** Garner 2,512, Scharlow 814, Clemons 714, Goldberg 552, Kersey 68, Tuttle 48. **2003 General Results:** Garner (D) 5,971, Overton (R) 3,893, Hughes (L) 196. **2007 Forecast:** This is a pure tossup between a former mayor and a former sheriff. Ex-mayor England might be considered a slight favorite, but our sources expect this one to be incredibly close. **Status:** TOSSUP.

**New Castle:** Democrat: Sherman Boles. Republican: Jim Small. **2003 Democratic Primary:** Nipp 1,551, Sherman Boles 1,488. **2003 General Results:** Nipp (D) 2301, Hyatt (R) 1,392. Boles, K. (I) 1,470. **2007 Forecast:** Four years ago the battle for the mayor's office brought nearly half of eligible New Castle voters to the polls. This year, the race is just as competitive, in part be-







cause this longtime Democratic city's most powerful party is split down the middle. Some are supporting Democrat Sherman Boles, the former mayor who served 12 straight years before he lost in the 2003 primary to current Mayor Tom Nipp (**Muncie Star Press**). Boles returned the favor and beat Nipp this past May. But Nipp supporters wouldn't dare vote for Boles, so many have switched sides since the spring primary. A faction of Democrats have formed Democrats for Jim Small, the Republican who wants to become the city's first Republican mayor in more than 50 years. According to voter registration records, 40 percent of New Castle voters cast ballots in the fall of 2003. There has been no shortage of attacks between the two men. Small has referred to Boles' previous years in office as ones where the budget was "almost out of control" and where everything from taxes to drug abuse increased. Small, who is working as a special projects officer for the New Castle-Henry County Economic Development Corp., said his experience in that office proves he's helping the city move forward. But that experience comes with controversy, and it was apparent last week as the forum for city candidates drew a small crowd of residents who don't live in the city limits. Opponents who live near Mount Summit, and a proposed and Small-supported ethanol plant, were in the audience. They've been public with their opposition to Small, and to the fact that they believe those looking for economic development solutions have disregarded their concerns about having a factory in their rural neighborhood. **Primary Status:** TOSSUP

**South Bend:** Republican: Juan Manigault. Democrat: Mayor Stephen Luecke. **2003 General Results:** Luecke (D) 10,598, Schmidt (R) 4,188. **2007**

**Forecast:** Luecke still appears to be ahead of Manigault, according to a **South Bend Tribune-WSBT-TV** poll. The poll of 400 likely voters shows Luecke, a Democrat, with a 48 to 38 percent advantage over Manigault, a 2 percent drop from the 12-point lead Luecke enjoyed in a poll taken last month. The new poll also shows 12 percent of those polled as undecided, compared with 23 percent undecided a month ago. The poll was conducted Oct. 25-26 by Research 2000 with a 5% +/- **Status:** LEANS LUECKE

**Terre Haute:** Democrat: Mayor Kevin Burke. Republican: Duke Bennett. **2003 General Results:** Burke (D) 7,338, Bennett (R) 3,647. **2007 Forecast:** Burke's campaign committee had dominated the fundraising efforts over Bennett until a politically involved benefactor's recent reported donations helped close the gap (**Terre Haute Tribune-Star**). The committee of Burke, a Democrat, raised more than \$63,300 from April 14 to Oct. 12, the group's pre-election campaign finance report shows. Bennett raised only \$8,865 in contributions from April 13 to Oct. 12. We think Burke returns. **Status:** LEANS BURKE

## 2008 Congressional

### **Congressional District 2: Republican:**

Open. Democrat: U.S. Rep. Joe Donnelly. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2002 Result:** Chocoma 95,081 (50%), Long Thompson 86,253 (46%); **2004 Result:** Chocoma 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Result:** Donnelly 103,561, Chocoma 88,300. **2008 Forecast:** Chris Minor, who revealed a DUI and a Halloween Party fight that ultimately forced him off the Kokomo Police Department as well as his ties to Blackwater security ... has folded his campaign. **Status:** SAFE DONNELLY

### **Congressional District 7:** Republican:

Wayne Harmon. Democrat: U.S. Rep. Julia Carson. **Geography:** Indianapolis. Media Market: Indianapolis. People: Urban 99.7%; median income \$36,522; poverty 13.5%; race white 63, black 29.4%, Hispanic 4.4%, Asian 1.3%; blue/white collar 26/58%; **2000 Presidential:** Gore 55%, Bush 43%; Cook Partisan Voting Index: D+6. **2002 Results:** Carson 77,478 (53%), McVey 64,379 (44%). **2004 Results:** Carson 121,303, Horning (R) 97,491, Campbell (L) 4,381. **2008 Forecast:** The AP is reporting Carson will not be returning to work until at least mid-December while she continues to recover from an alleged "leg infection." The statement read: "If you are frustrated about this, imagine



State Rep. Jon Elrod

how I feel! In the meantime, I continue to work from home on the people's business. Unfortunately, healing sometimes takes longer than anticipated, but I'm working hard to be able to travel back to Washington by mid-December. My goal, of course, is to be back much, much sooner." That statement doesn't sound like something Carson would say. The Advance Indiana blog is reporting that industrialist Bill Mays is making calls on behalf of State Rep. Carolene Mays. Other Democrats are also eyeing a potential opening. Meanwhile, State Rep. Jon Elrod, who has won township and legislative seats in tough Democratic districts, is pondering a run. **Status:** Leans Carson ❖



## Blood in the water

By **MARK CURRY**

WASHINGTON - Only 70 days remain before the Iowa caucuses, and, as noted by Newsweek reporter Richard Wolffe, the anti-Hillary feeding frenzy has begun. Pundits of every stripe anticipated Sen. Clinton (D-NY) would be the target of her party rivals for the presidential nomination during the Democratic debate in Philadelphia on Tuesday, and they weren't disappointed. Here's a sample of what hit the web yesterday:

### **New York**

**Times:** Senator Hillary Rodham Clinton of New York came under withering attack from the rest of the Democratic presidential field last night in a pitched two-hour debate that her opponents used to challenge her candor and electability and to portray her as enabling President Bush to prepare for an invasion of Iran.

### **Wall Street Journal 'Political Diary':**

Democrats who are nervous about having Hillary Clinton as their nominee had their fears confirmed last night. Mrs. Clinton finally stumbled in her seventh Democratic debate once the other candidates decided to chew on her.

**Philadelphia Inquirer:** This encounter was much the candidates' most contentious of the year, with the front-runner taking repeated verbal shots, particularly from (Sen.) Barack Obama (D-IL) and (former Sen.) John Edwards (D-NC).

**ABC News 'The Note':** Now we've got it straight. Sen. Hillary Clinton is a flip-flopping, record-sealing, war-in-Iran-voting, Social-Security-ducking, politically calculating, lobbyist-loving, polarizing and unelectable Democrat who acts like a Republican - and a Clinton.

**Former Sen. Fred Thompson (R-TN) on Red-state.com:** While Hillary Clinton was speaking out both sides of her mouth at last night's debate over the issue of drivers licenses for illegal aliens, what went unsaid is that this is a recipe for increased voter fraud.

**NBC News 'First Read':** [Former New York Mayor Rudy] Giuliani said Clinton "did something extraordinary in

American politics" by taking both sides of the issue of New York drivers licenses for illegal immigrants.... "She did the worst attack on herself," he said... at a hastily called press conference. "She did the one thing in a debate you never want to do."

**Nedra Pickler, Associated Press:** In the City of Brotherly Love, there wasn't much for a sister.... Gone was the Clinton who laughed off their answers and joked about how she's lucky to be getting so much attention from all these men at her age. Clinton clearly had decided she must defend herself from rivals who are right on her heels in the leadoff voting state of Iowa and who pose a real threat to her winning the Democratic nomination.



U.S. Sen. Hillary Clinton on a recent campaign swing.

## Fights back

Clinton and her crew may have been on their heels in the debate spin room, but the campaign was back to aggressive mode by early the next morning with the release of a statement entitled "The Politics of Pile-On."

"What happens when the 'politics of pile-on' replaces the 'politics of hope?' Hillary comes out on top," the

statement read. "Despite the best efforts of her six fellow candidates to trip her up, Senator Clinton stood strong and made her case.... She kept her focus on the real target in this election: Republicans and the Bush Administration. But with each attack, Senators Obama and Edwards undermined the central premises of their own candidacies. The sunny speeches and rosy rhetoric that once characterized their remarks has now been replaced by the kinds of jabs one typically sees from candidates desperate to gain traction in the polls."

While it hurt her, the slip-up didn't necessarily put Clinton in with the losers, according to Chris Cillizza of the Washington Post's political blog "The Fix," who wrote "... for the majority of the debate she acquitted herself well despite having the deck stacked heavily against her. In the first hour, nearly every question and response started and ended with Clinton. Might she have won points among women who saw a bunch of men going out of their way to gang up on her?"

**Newsweek's** Wolffe also offered some comfort to



the Clinton camp, noting that Iowa “doesn’t like its contests to get too bloody.” Veteran political reporter David Yepsen of the Des Moines Register concluded his coverage with this observation: “While the debate was closely watched by the political community, it is unclear whether it will move any numbers in the polls. There are so many debates these days, some voters are suffering from debate fatigue and that may mean they don’t pay much attention to any one of them.”

### Pay attention (or not)

Only half of you are paying much attention to the presidential campaigns, according to a poll from the Pew Research Center.

Even among Republicans, Clinton and Obama are much more visible than Giuliani or any other GOP presidential candidate, the poll’s authors found. Two of five respondents could not name any Republican candidate.

Pew’s weekly “News Interest Index” finds that since the beginning of September, 20 percent of the public, on average, has followed campaign news very closely, while about half have followed it very or fairly closely. Interest was nearly as great at this point in the 2000 campaign, the last time that both parties had competitive contests. ❖

### Hoosier Support List

**Giuliani:** Marion County Prosecutor Carl Brizzi, Stephen Goldsmith, Tim Durham, Beurt SerVaas, Steve Hilbert. **McCain:** Gov. Mitch Daniels; Attorney General Steve Carter, Dan Coats. **Romney:** Secretary of State Todd Rokita, James Bopp Jr., Dan Dumezich, Bob Grand, Chris Chocola. **Thompson:** U.S. Rep. Steve Buyer, U.S. Rep. Dan Burton, David McIntosh, Mike McDaniel, Rex Early. **Clinton:** Sen. Evan Bayh, Joe Hogsett, Mel Simon, Bren Simon, Speaker B. Patrick Bauer, Judy O’Bannon, Kathy Davis, John Gregg, State Sen. Vi Simpson, Marion County Sheriff Frank Anderson, Chairman Dan Parker, Butch Morgan, Steve Haines, Michele Livinghouse, Phoebe Crane, Robert Pastrick, Marjorie Warnick, Jeff Fites, J.D. Lux, Jan Ellis, Tom O’Donnell, Anthony Long, Mary Lou Terrell, Kevin Murray, Mary Titsworth Chandler, Hobart Mayor Linda Buzinec. **Edwards:** Robin Winston, Ann and Ed DeLaney, Mike Jones, Vidya Kora, State Reps. Russ Stilwell, Dennie Oxley, Terri Austin, Terry Goodin, Sheila Klinker, Linda Lawson and Scott Pelath; Robert Kuzman, Greencastle Mayor Nancy Michael, Bill Moreau Jr., Shaw Friedman, Vanderburgh Co. Chairman Mark Owen, Greg Hahn, Bruce Kehoe. **Obama:** Kip Tew, State Rep. Charlie Brown, Melina Kennedy, State Rep. Mae Dickinson, State Rep. Bill Crawford, State Rep. Jeb Bardon, State Sen. Earline Rogers, Frank Short, Jack Wicks, Andy Miller, John Fernandez, Dennis Lee

**Note:** Mary Lou Terrell has switched from Edwards to Clinton. ❖

### 2008 State Presidential Polls

Iowa (R)	Date	Romney	Giuliani	Thompson	McCain	Huckabee
ARG	Oct. 26-29	30	<b>16</b>	<b>8</b>	<b>14</b>	<b>19</b>
Iowa/Hawkeye	Oct. 17-24	36	13	11	6	13

New Hampshire (R)	Date	Romney	Giuliani	Thompson	McCain	Huckabee
ARG	Oct. 26-29	30	23	5	17	7
Rasmussen	Oct. 23	28	19	6	16	10

South Carolina (R)	Date	Romney	Giuliani	Thompson	McCain	Huckabee
ARG	Oct. 26-29	29	23	10	13	5

Iowa (D)	Date	Clinton	Edwards	Obama	Richardson	Biden
ARG	Oct. 26-29	32	15	22	7	5
Iowa/Hawkeye	Oct. 17-24	<b>29</b>	<b>20</b>	<b>27</b>	7	

New Hampshire (D)	Date	Clinton	Edwards	Obama	Richardson	Biden
ARG	Oct. 26-29	40	10	22	5	
Rasmussen	Oct. 26-27	38	14	22	7	

South Carolina (D)	Date	Clinton	Edwards	Obama	Richardson	Biden
ARG	Oct. 26-29	41	18	19	1	





### RiShawn Biddle, Indianapolis Star

**Expresso** - Then there's the embarrassing spectacle that is Monroe Gray, whose tenure as city-county council president is being marked by a lack of decorum during council sessions, the videos of himself on YouTube and responses to allegations of corruption that wouldn't be acceptable to a child who claimed his dog ate the homework. His act, more Zip Coon than honorable statesman, epitomizes the lack of seriousness some Black politicians show in their work; it's just inexcusable. If I hadn't seen this with my own eyes over the past three years, I would have thought they came straight out of 'Scrub Me Mama with a Boogie Beat.' I don't know any powerful Black people like that. Do I? Sadly, we do. Before our eyes stand men and women charged with serving the citizens of this city behaving badly, awfully, arrogantly, as if they didn't receive any home-training. They have been given power for which they could do plenty for the poor Black neighborhoods which they represent. But for them, their jobs offer them chances for self-enrichment, opportunities for petty foolishness and the possibilities of grandstanding on public access television so they can use their 'juice.' ❖

### Dennis Ryerson, Indianapolis Star

- Recently comments on this blog (see above) were posted by a Star staff member, which included offensive, insensitive and wholly inappropriate words in reference to Indianapolis/Marion County City-County Council President Monroe Gray. Those comments have been removed. These comments absolutely did not meet the Standards of The Star. I apologize to Council President Gray, and to all communities who with good reason were highly offended by the remarks. ❖

### Jack Colwell, South Bend Tribune

- If the candidates for the Democratic nomination for governor continue to campaign the way they did at the Howey Political Report Forum in Indianapolis last week, Gov. Mitch Daniels will face a formidable challenge. If Jill Long Thompson and Jim Schellinger, the candidates seeking to oppose the Republican governor, continue to hit at Daniels and avoid hitting each other, the winner of the Democratic nomination, though underfunded, will have a chance. If the Democratic primary race turns nasty and divisive and ends up with a narrow victory for a winner who has spent every cent on the nomination, that nomination might not be worth much. If the nomination winner instead gains statewide name recognition and emerges with momentum from a decisive victory and is established as a viable alternative to Daniels, the nominee will be able to take advantage of opportunities and perhaps prevail. If ... There is many an "if" in the scenarios now, with uncertainty about the identity of the candidate to emerge with the Democratic nomination. But at the forum, the two candidates for the

nomination, were courteous toward each other and aimed their barbs, some rather sharp, at the Daniels administration in areas where they see weakness -- education, job creation, privatization and, especially, at what they claimed was failure of Daniels to act in time to prevent current property tax woes. ❖



### Rich James, Post-Tribune

- Republican Gov. Mitch Daniels' lease of the Indiana Toll Road to a foreign consortium was easy prey for Northwest Indiana Democrats. "We don't want a governor from Indianapolis leasing OUR Toll Road to anyone, let alone Aussie and Spanish insurgents," was the train of thought in this corner of the state. There are those who think NWI Democrats will react the same way to the property tax reform plan Daniels announced on Tuesday. They may try, but Daniels pretty much had area Democrats hogtied before he even finished his speech. That's a blow for Democrats who hoped to use the state's property tax problems as a prime campaign plank against Daniels. I suspect state Rep. Chester Dobis, D-Merrillville, knew Daniels had put them in retreat. Dobis, in response to the tax plan, tactfully mustered, "I'm happy to see the governor step forward and get engaged. I think it starts things moving." Yeah, it pretty much jump-starts Daniels' campaign for re-election. So, why, you ask, do I think Lake County Democrats would be nuts to oppose this plan? Unless you've been living in the hills of Appalachia for the last three years, you know that rising property tax bills - particularly in north county - have grabbed as much headline space as public corruption. ❖

### Dale Moss, Louisville Courier-Journal

- When the Indiana General Assembly finally gets around to restructuring local government, the heat will be on for lawmakers to slice at the status quo. Tax relief? More efficiency? Continued funding for libraries? What about townships? At a recent hearing on the topic in New Albany, ideas were sought ahead of next year's legislative session. When it comes to good local government, people don't want more excuses. They expect action to result from the talk. "There's a crisis," said Kim Matthews, of the Utica area, a retired businessman who led a recent citizens' revolt on a pricey school construction project. "And when there's a crisis, there's change." If I had my way, libraries would stay and township government could go. What libraries do, no other entity can. What townships do, counties or cities can. And I'm just warming up. Imagine county governments with an actual CEO, someone in charge. Think of each county with just one school system instead of several. Consider police departments, planning offices and road crews with coordinated priorities. In Indiana, ideally, every layer and every service must prove itself anew. ❖



## **Cheney says U.S. must stay the course in Iraq**

INDIANAPOLIS - Vice President Dick Cheney emphasized staying the course in Iraq in an address hosted by the American Legion today (**Indianapolis Star**).

"We cannot protect the nation by simply bracing for another attack," he said. He

spoke highly of Indiana's military service and honored fallen soldier Richard Blakely in the address to about 300 people at the Indiana War Memorial. Staff Sgt. Blakely, 34, Avon, received a purple heart in April after being wounded in Iraq, less than two months before he was killed by small arms fire while on foot patrol near Al Khalidiya. The vice president called on the audience to boost support for the military in their communities. The crowd was mostly made up of veterans and members of the National Guard. "You can remind your fellow citizens that the purposes America serves are good purposes," Cheney said. He also defended the use of interrogation tactics by the CIA, which have become increasingly controversial. "Because we've been focused, because we haven't let down our guard, we've gone six years without another 9-11," he said, citing intelligence obtained by interrogating terror suspects.



## **Harkin calls Lugar agenda plan too radical**

WASHINGTON - Paying owners of agriculture acres, even those who don't farm the land, "has got to be stopped," the chairman of the Senate Agriculture Committee said Wednesday (Smith, **Journal Gazette**). But Sen. Tom Harkin, D-Iowa, said the idea of replacing the current crop subsidies that go to fewer than half of U.S. farms

with a program that insures up to 85 percent of any farmer's income – proposed by Sen. Richard Lugar, R-Ind. – is too much change too fast. "Farm bills don't take sharp turns," he said at a breakfast meeting with reporters. "Just to change the whole system overnight; it's not going to work." The Senate will begin debate next week on a bill to lay out U.S. farm policy for the next five years, covering crop subsidies, nutrition programs, food safety, conservation, crop-based energy and rural development. The bill would largely keep the subsidy program, which pays the owners of farmland where certain grains, soybeans and cotton are grown. Under Lugar's approach, the subsidies would be eliminated. Instead, any farmer – no matter what crop – would be eligible for an insurance program that would cover up to 85 percent of the farmer's previous income if the crop is devastated by bad weather or low prices.

## **Bush bypasses Connor as USDA secretary**

WASHINGTON - President Bush passed over Indiana native Chuck Conner to head the U.S. Department of Agriculture (**Gannett News Service**). Bush announced Wednesday that he is nominating Edward Schafer, a former two-term Republican governor from North Dakota, to be his next secretary of agriculture. Bush thanked Conner for doing an "outstanding job" serving as acting secretary since Mike Johanns resigned in September to run for the Senate from Nebraska. Conner, who had been the No. 2 official at the USDA, will remain acting secretary until Schafer is confirmed by the Senate.

## **State asks court to dismiss property tax suit**

INDIANAPOLIS - Attorneys representing the state asked a judge yesterday to dismiss a lawsuit challenging the constitutionality of Indiana's property tax system, saying the plaintiffs must first pursue their claims through state and local agencies

(**Louisville Courier-Journal**). Attorney Jon Laramore told Judge Thomas Fisher that state law requires residents to exhaust all administrative remedies -- such as appeals and petitions through agencies -- before they can come to the state tax court for help. "Administrative agencies are fully capable of adjudicating complicated issues," Laramore said. Attorney John Price, who represents the taxpayers as well as taxpayer groups from across the state, said, however, that those agencies don't have the authority to declare a law unconstitutional and are therefore not the correct venue for his clients' complaints.

## **1,000 Hoosiers give input to Kernan-Shepard**

INDIANAPOLIS - Invited by the Indiana Commission on Local Government Reform to play a role in improving local government, Indiana residents responded by the thousands, logging onto the Commission's Web site, e-mailing comments and participating in public conversations. Launched in August 2007, the Indiana Commission on Local Government Reform Web site (<http://indianalocalgovreform.iu.edu/>) has logged nearly 10,000 visits over the last few months, and more than 1,000 Hoosiers have provided input to the Commission through mail, e-mail and voice mail. Comments have ranged from one-sentence suggestions to multi-page, data-supported proposals. All comments provided to the Commission through October 15 are available for public review on the Commission's Web site. New comments are posted twice a month. In addition, nearly 700 Hoosiers participated in public forums in locations across the state. Information received through those forums also is summarized on the Web site. "We're gratified by the number of Hoosiers who have taken the time to participate in this process," said former Gov. Joe Kernan. "I'm impressed by the real substance in the comments we've received," added Shepard. ❖