Stakes couldn’t be higher for Bush
Epic presidential brinksmanship

By BRIAN A. HOWEY in Indianapolis

This is brinksmanship on an epic scale. Within the next month there could possibly be, as REM might say, the end of the world as we know it.

President George W. Bush is taking a huge, calculated gamble, leading the nation into a war a majority of Americans appear to believe is morally correct. The danger lies in its execution, the retribution of our enemies, and the impact on an economy that has been described as “the dagger aimed at the heart” of the Bush administration.

On the question of war itself, a CBS poll conducted after last week’s presidential press conference and Friday’s report by United Nations weapons inspectors showed support for taking military action soon has risen 9 points to 44 percent, compared to a majority of 52 percent who think the U.S. should give the UN and weapons inspectors more time. Last week the numbers were 35/60. That is soft ground.

If the war concludes quickly, with few U.S. casualties and moderate civilian loss of life, conclusive proof arises that Saddam maintained weapons of mass destruction with little loss of American life, and our forces are greeted as liberators, Bush will emerge extremely strong.

There is a sense that the U.S. economy is holding its breath. Signs of danger abound. The unemployment rate stands at 5.8 percent. The Dow has sunk from 8000 less than a month ago, to 7645 this morning. The domestic airline industry is staring down a collapse, with United and USAir already in bankruptcy, American close behind, and a 17-percent drop in business, 70,000 jobs lost with another 100,000 hanging in the balance, and losses of more than $10 billion.

But the political impact of the airline industry could
CONSUMER CONFIDENT ERODES: An ABC News/Money magazine poll of 1,004 adults in the month ending March 9, 2003 (+/-3%), shows: The ABC News/Money magazine Consumer Comfort Index "fell four points to -25 on its scale of +100 to -100, shedding more of its February gains and approaching the nine-year low it hit in January." 23% rated the national economy as excellent or good; 77% rated it as not good or poor. 53% rated their personal finances as excellent or good; 47% rated them as not good or poor. 36% said now is an excellent time or a good time to buy the things they want and need; 64% said it is not a good time or a poor time.

WORLD AWASH IN NUKE SAYS LUGAR: Money, speed and tight coordination are lacking in the work to help rid the world of radioactive material and nuclear weapons, Sen. Richard Lugar, R-Ind., and former Sen. Sam Nunn, D-Ga., said Wednesday. "The world remains awash with nuclear weapons," Lugar said (Associated Press). Lugar and Nunn are the architects of an 11-year-old program to help Russia and the other former Soviet republics secure and destroy nuclear, biological and chemical weapons.

Continued on page 3
with significant casualties will quickly fire up anxiety. That would be a long tightrope to walk. Should a military campaign conclude quickly, the American military might find itself as an occupier in a fractious country with no experience as a democratic society. Terror attacks and casualties during an occupation and spreading unrest throughout Europe and the Middle East could also have a distinct and decisive domestic political impact.

If this sounds like doom and gloom, President Bush has boldly decided to walk the precipice, believing he has no choice.

And if he succeeds ...

The upside of this could leave Bush a candidate for Rushmore.

If there is a short war, the realization that Saddam possessed WMD, little loss of American lives, the oil fields not fully torched (perhaps even saved), and Iraqis greeting American soldiers as liberators, Bush can emerge perhaps more popular than after his adept and compassionate handling of Sept. 11.

There is the potential for allowing the American economy to get back into a normal setting, allow gas prices to recede, igniting a summer travel season, and offering the president huge political capital on Capitol Hill.

The long-range goal of the Paul Wolfowitz faction of the Bush administration is an Iraqi regime change, and a foothold for “pan-Arabian” democracy. The dreamed-for Bush legacy is a volatile, strategic region breathing in the deep, fresh air of democracy, allowing moderate regimes to replace corrupt monarchs, autocrats and tyrants. As Theodore Roosevelt helped establish an independent Panama in a “regime change” a century ago, Bush could then move into his “peacemaker role” in the pursuit of a Palestinian state.

Is this a tall order?

President Bush told author Bob Woodward he “relies on my instincts,” would tell Japanese Prime Minister Koizumi, “We’re angry, but we’re not stupid. History will be the judge, but it won’t judge well somebody who doesn’t act; somebody who just bides time here.”

Bush told Woodward, “I will seize the opportunity to achieve big goals. There is nothing bigger than to achieve world peace.”

In South Bend last fall, Bush said, “I’ll talk about the need for freedom-loving countries to deal with threats today before they become credibly serious horrors. I believe we owe that to our children. Some things are certain; however. I cannot believe the world will allow one of the world’s worst leaders to hold America blackmail, to threaten America, to threaten our peace, and to threaten our friends and allies with the world’s worst weapons.”

If Bush can deliver on his war and peace, and preside over a revived U.S. economy, his 2004 re-election could resemble President Reagan’s “morning in America.”

The UN, the oil-slurping French who vow to veto a second resolution “no matter what,” and Tarak Aziz’s plea to Pope John Paul II to have war spare a regime responsible for one million deaths will, in retrospect, become farcical.

Bush has surrounded himself with people such as Colin Powell, Vice President Richard Cheney, and President G. H. W. Bush, who won a decisive battle 12 years ago. The perception is the President believes such a victory a probability, and the rewards profound.

America fought its last battles (Kosovo, Serbia) with no loss of life, and its widening technological advantage could provide global stability. Or it could provoke awe, envy and fear. Bush may be the peacemaker, or the man who introduced the concept of “pre-emptive war,” in the first years of the 21st Century, which would be a profound milestone when it ends 97 years from now.

The stakes couldn’t be higher.

continued on page 4
36 COUNTIES OWE STATE $87 MILLION: State officials say they overpaid $87.5 million in local income tax revenue to 36 counties within the past two years, after the recession hit. Now they want it back. And Hamilton County, including its libraries, townships, cities and towns, will be hardest hit by far. Government agencies in that county owe a whopping $31.3 million, or 36 percent of the state's total overpayments, according to a report obtained by The Indianapolis Star. "It just makes me sick," said Judy Levine, a Republican on the Hamilton County Council who represents the Fishers area. "They have buried us through their own gross incompetence."

Forty-nine counties, including urban hubs such as Marion, St. Joseph and Vanderburgh, don't owe at all. State officials can't explain the disparity, but Allen, Bartholomew, Elkhart, Grant, Kosciusko and Rush counties also received from $2 million to $8.2 million too much from the state treasury after the recession hit. In central Indiana, Madison County owes $1.4 million. These counties will join Hamilton in a painful settling up that could increase property taxes or force budget cuts as local governments struggle to maintain services and pay retired public safety workers.

continued on page 5

Indiana counties gird for taxing times

“From LaPorte on the Big Lake, to New Albany on the Ohio, an iron curtain clanks between the Indiana Legislature and the real world ...”

By BRIAN A. HOWEY

INDIANAPOLIS - A Hoosier legislator with the bravado and audacity to speak publicly about holding the line on taxes would be doing so at his or her own risk if there were county or city officials in the audience.

The huge turkey buzzards of Indiana public policy are coming home to roost, most emphatically now at the county level. Just today, the state announced a significant reduction in the amount of local county income taxes collected in 2001 will result in smaller distributions of tax revenues to counties in 2004, State Budget Director Marilyn Schultz said. "We know this causes hardship for counties and cities and we empathize; we have budget problems of our own. But in no way are we passing on our budget problems to the localities. We're merely serving as a go-between, and we think it is our duty to notify local officials as soon as possible so they can make plans for coping in 2004."

Indiana’s historic inability to turn the corner on education has seen troubling ISTEP scores backed up by soaring jail populations, both adult and juvenile, an epidemic of methamphetamine labs, and county budgets veering deep into the red.

The options of county officials appear to be saddling lower- and middle-income Hoosiers with bigger income tax burdens, particularly in the counties that rescedned their inventory tax to lighten the load for business and industry.

Couple the double-digit college tuition increases last year with more to come; the increased education standards that went into effect this year; and an essentially flat-lined 2 percent education funding proposal, and there lies a public policy meltdown.

More than a dozen accounts in newspapers just this week concerned the crisis, topped by news today that 36 counties owe the state $87 million when it erroneously returned too much (see Ticker Tape). "It just makes me sick," said Hamilton County Councilwoman Judy Levine (Indianapolis Star) "They have buried us through their own gross incompetence."

Steve Walsh in the Post-Tribune reported that Indiana’s prison population jumped 51 percent in the last decade and the state Department of Correction estimates that rise will continue for the next decade. “Anticipating that, the Department of Correction had asked that its $569 million budget grow to $585 million for fiscal year 2003-04 and $617 million for fiscal year 2004-05,” Walsh reported Monday.

On Wednesday, the Elkhart Truth reported an income tax increase is inevitable to pay for $8 million in criminal justice building projects. “A married couple earning $50,000 combined, with a mortgage and three children, should expect to pay about $100 in increased taxes, according to county estimates,” the Truth reported.

Clark County, facing what the Jeffersonville Evening News called “chronic deficits” due to increased costs for housing inmates, operating courts and employee health insurance, will probably pass a CAGIT. "The train has hit the wall. We are going to have to do it," Councilman Perry Smith said. "Of course, people tell us they don't want it, but they also tell us they want us to operate the courts, keep criminals off the street, improve roads and run county business."

Vigo County’s jail population has swollen well over its 268-inmate limit. Sheriff Jon Marvel told the Terre Haute Tribune-Star that the state has "shifted that problem back to the counties." He estimated about 30 percent of the jail population is serving a misdemeanor sen-
tence. "Now we have to keep them here, anything less than a year. Our jail is a prison," Marvel said.

The Indianapolis Star reported Monday that Marion County residents could face a property tax increase next year because of the county's ever-increasing juvenile jail debt to the state, now at $38 million. "The bottom line for taxpayers? The average residential property tax bill of about $1,064 could increase by $35, the Marion County treasurer's office estimates," the Star reported. Another 16 counties are facing similar increases, falling behind by $53 million to the state.

LaPorte County just had a new jail go online. St. Joseph County passed a new wheel tax Wednesday to repair rapidly deteriorating roads instead of laying off 100 employees. Floyd County is preparing to pass a new income tax that would cost a resident earning $35,000 a year an additional $298. "We're not trying to make any money," County President Larry McAllister said. "We're trying to reduce property taxes."

The Louisville Courier-Journal explained how the burden will shift to lower- and middle-income people. The income-tax increase and the reduction it will provide in property tax rates will help retirees who own their homes and have relatively small incomes, Prof. Larry DeBoer of Purdue University said. But the changes may not help lower-income residents who rent their houses or apartments, and they won't help middle-income residents who are working and are likely to bear the brunt of the income tax increase, DeBoer said.

While the Indiana Chamber is actively urging counties to rescind inventory taxes in order to reposition for economic development, the burdens, at least in the short run, are falling regrettably on the lower-income stratas.

This wave of county inmate, road and tax dilemmas is just the tip of the iceberg. Hoosier cities and towns are facing EPA-mandated fixes of at least $3 billion for long-neglected combined sewer overflow problems.

And in a year when Gov. Frank O'Bannon's new tougher education standards go on line, which are expected to result in a record number of students and school corporations needing remediation, the House biennial budget calls for a paltry 2 percent education increase. Business and industry have long complained about the caliber of contemporary Indiana high school graduate.

Fort Wayne Community Schools will pass $17 million in budget cuts, paring back 200 positions. Evansville-Vanderburgh Schools have dealt with a $7 million deficit and other districts are expected to follow suit. Last week, Ivy Tech pondered a 5 percent tuition increase, and other state-operated universities are girding for increases.

In the face of this compelling economic duress, Senate Republicans, the one constant center of power over the past 27 years, have painted themselves into a corner. Senate Finance Chairman Larry Borst, who received a House budget bill $800 million out of whack, won't deal with the "gamers in the hall," despite pleas to the contrary from the Indiana Association of Cities and Towns. He called the plan to spread out the juvenile jail costs "a massive property tax proposal."

Borst's options apparently have been reduced to snooping for funds in dedicated accounts while maintaining a state of denial about a tax increase. "I don't think anything is off the table, any fund there is," Borst told the Courier-Journal. And in a moment of clarity, Borst said, "We can't just let the state of Indiana go into complete disrepair just to balance the budget."

"The difficulty will be figuring out where the money comes from," said Sen. David Ford, R-Hartford City and a lieutenant governor candidate (Rick Yencer, Muncie Star Press). "The choices are really not very pleasant."

No they aren't. Ask any mayor, sheriff, commissioner or counc.
Simpson roars from the gate to the Lake

By BRIAN A. HOWEY

INDIANAPOLIS - For those skeptics wondering if State Sen. Vi Simpson could muster the oratorical skills and play the endorsement game at the gubernatorial level, Wednesday was a threshold moment.

She did both in her statewide campaign kickoff with a superb Statehouse speech. While her opponent, Joe Andrew, quietly sandwiched 3rd CD endorsements on Monday with promises of Lake County endorsements from East Chicago Mayor Bob Pastrick and Chairman Stephen Stiglich (which had not materialized yet), Simpson countered with Jerry Payne, Jon DeGuilio, Gary Mayor Scott King, Sheriff Roy Dominguez, and Prosecutor Bernie Carter. While former state Chairman Peter Manous questioned her ability to raise money, Simpson’s Wednesday fundraiser was a robust affair with a large contingent joining her $1,000-a-plate dinner at the Murat Center.

How serious should Democrats take the Simpson candidacy? Perhaps as seriously as Indiana Republican Chairman Jim Kittle Jr., who was among the 300 or so at the Statehouse speech. Shortly afterward, he fired off a press release calling Simpson “one of Indiana’s most prominent liberals.”

But Simpson has rhetorically countered that and other conventional wisdom ever since she surfaced to challenge Brian Vargas’ assertion that a woman can’t be elected governor in Indiana. “Indiana is the crossroads of America, but now, we stand at a crossroads of our own,” Simpson said. “We need a new direction, but only a leader with the right vision, the right values, and the right experience can lead us in the right direction.”

Simpson continued, “From Lake Michigan to the Ohio River, Hoosiers are hungry for bipartisan leadership. For new ideas. For political courage. They want a governor who knows how to get things done. They want the best man for the job, even if it happens to be a woman.”

The Statehouse atrium exploded in applause at that juncture, similar to Simpson’s exploratory announcement two months ago.

“I’m tired of politicians, paralyzed by fear and self-doubt, who talk as if Indiana’s best days have come and gone. They’re wrong,” she said.

Simpson vowed that the hallmarks of her administration would be “openness, accessibility and consensus-building. I’ve learned that sharing credit with others is a sign of strength, not weakness.”

As she closed her speech, she again challenged the ceilings that were supposed to keep a politician like her down. “If you’re looking for politicas-as-usual, I’m not your man. But if you’re looking for straight talk and bold ideas, I hope you’ll join me,” she said. It seemed to be a mix of Helen Reddy and John Lennon -- defiance and compassion.

As for Andrew, Simpson said, “Indiana doesn’t need to look to Washington for answers or saviors. It never has. It never will.”

Andrew’s campaign to date has been largely stealth: A letter announcing his entry, a quiet elbow twisting for labor and Democratic organization support. A Pastrick-Stiglich endorsement from Lake County, where a third of the primary votes may come from, would be significant. But Simpson responding with King, Carter and Dominguez was significant and other endorsements will be announced Friday. It showed her ability to make inroads into areas Andrew had hoped to dominate.

The significance of Wednesday was that the Democratic race is engaged and Simpson emerges as a force.
ence. "So we feel we need to push our message even harder." Margerum said the city still hasn't gotten federal money to improve radio communications or to buy protective equipment for emergency responders, and she's worried that budget cuts in law enforcement support programs will hamper the police force. The White House had asked Congress to approve $3.5 billion for "first responders" for the current fiscal year. But Congress chose to provide $1.3 billion, while spending more on local law enforcement grants than the administration wanted.

**BLOOMINGTON COUNCIL PASSES PRELIMINARY NO SMOKING ORDINANCE:** The Bloomington City Council showed support early today for banning smoking in public places and places of employment (Sarah Morin, Bloomington Herald-Times).

After five hours of public and council discussion of a city smoking ordinance, the council cast early votes on the ordinance and three amendments to it. A preliminary vote on the smoking ban itself, concluding about 1:30 a.m. today, found five in favor, two against and two who did not express a view. Council members Patricia Cole, Andy Ruff, Chris Gaal, Tim Mayer and Tony Pizzo, all Democrats, favored the ordinance. Council mem-

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**Indiana 2003 Racing Form**

**Indiana 2003 Mayoral Races**

**East Chicago Mayoral:** Republican: None. Democrat: Mayor Robert Pastrick, Councilman George Pabey, Judge Lonnie Randolph. 1999 Primary Results: Pastrick 5,772, Stephen Stiglich 3,790. **1999 General Results:** Pastrick (D) 3,027, Acost (R) 629. **2003 Forecast:** Pastrick survived a residency challenge before the Lake County Election Board by Randolph. Three of Randolph's witnesses failed to appear at the hearing. Pastrick joined Lake County Democratic Chairman Steven Stiglich in endorsing Joe Andrew for governor. **General Status:** Solid Pastrick.

**Fort Wayne Mayoral:** Republican: Linda Buskirk, O. (Bro) Blye. Democrat: Mayor Graham Richard. **1995 Results:** Helmke 21,909, Essex (D) 11,033, Kempf (L) 1,029. **1999 Results:** Richard (D) 21,607, Buskirk (R) 21,531. **2003 Forecast:** Buskirk echoed comments by Republican City Council members this week in criticizing Fort Wayne's current administration for failing to reduce crime dramatically (Fort Wayne Journal Gazette). Although the city's crime rate for 2002 was at its lowest point in 20 years, Buskirk criticized Mayor Graham Richard for campaigning to lower the crime rate 20 percent but only achieving a slightly lower rate than in 1999. Council President John Crawford, R-at-large, said Tuesday that the rate is artificially low because of annexation in relatively safe areas and changes in the way crimes are reported to the FBI. "What disturbs me today," Buskirk told a lunchtime gathering of Republicans Wednesday, "is the mayor is more focused on making the numbers look good than on looking at a fair comparison year-to-year." Richard dismissed Buskirk's comments, saying she has been quick to criticize without offering her own ideas on improving policing efforts. "No one has refuted that we have the lowest crime rate in 20 years," Richard said. **General Status:** Tossup.

**Hammond Mayoral:** Republican: Mayor Duane Dedelow. Democrat: Tom McDermott Jr.. **1995 Results:** Dedelow (R) 11,099, Philpot (D) 10,578. **1999 Results:** Dedelow (R) 10,192, Philpot (D) 8,527, Robinson (L) 278. **2003 Outlook:** We incorrectly reported in our last edition that this would be a race between two mayors. McDermott is actually the son of a former mayor. **General Status:** TOSSUP.

**Jeffersonville Mayoral:** Republican: None. Democrat: Mayor Tom Galligan, Councilman Rob Waiz, Kenneth Ogden, Glenn Muncy. **1999 Results:** Galligan (D) 3,194, Cook (I) 640, Cooper (R) 619. **2003 Outlook:** Mayor Galligan comes back to preside over the council after a hiatus of several months. Councilors had been critical of Galligan and his wife, the city attorney. The cornerstone of Muncy's campaign for mayor is to have a referendum on riverboat gaming in Clark County in 2005. Muncy believes in the benefit revenue from such a riverboat can bring not just to Jeffersonville, but to all of Clark County. (Jeffersonville Evening News). **Primary Status:** LEANS GALLIGAN.

**Lafayette Mayoral:** Republican: Clerk Lisa Decker, Ann Miller. Democrat: Councilman Tony Roswarski. **1999 Results:** Heath (R) 6,237, Weiss (D) 5,496. **2003 Forecast:** In our last edition, we identified Decker as a "councilwoman" when she is city clerk. We identified Roswarski as a former police officer. He is still a policeman. **General Status:** TOSSUP.

- Brian A. Howey

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continued on page 8
SCHURZ TO OPEN NOBLESVILLE PAPER: Schurz Communications Inc. announced Wednesday that it is purchasing the weekly Noblesville Times in suburban Indianapolis and turning it into a daily newspaper. The paper, which will be renamed the Noblesville Daily Times, will switch to daily publication June 2. It will publish afternoon editions Monday through Friday and morning editions on Saturday. There will be no Sunday edition. SCI is buying the 99-year-old newspaper in Hamilton County from Ted and Mary Sue Rowlan, who have owned it since 1999. Terry Coomer, who was the circulation director of the Daily Reporter in Greenfield, has been named publisher of the new daily. George Piper, managing editor of The Reporter in Lebanon, will be the editor. Hamilton County’s last daily newspaper, The Daily Ledger, dropped from daily publication to twice weekly in April 2002 and now reports only local news. It was renamed The Noblesville Ledger. The newspaper is owned by Gannett Co., which also owns The Indianapolis Star.

Brian Howey, Indianapolis Eye - While we pray that Osama bin Laden doesn’t get hold of the Cottey resume, the column and issue wasn’t just a softball. It was one of those Chicago-style softballs, a big flabby 16-incher that you don’t even need a glove to catch. But a March 8 Star editorial swung at it and, in our opinion, missed by a mile. "The township board is scheduled to discuss the matter Tuesday," the Star editorial read. "This seems like a no-brainer to us, an open meeting with input from officials who are not personal friends with the contractor. Too bad it wasn’t held before the papers were drawn up." The editorial continued: "It is hardly a disparagement of Cottey’s integrity or expertise to challenge the coyness of this deal and the return it may yield on taxpayer money." The swing and miss was essentially this: Why do we even need townships? In our view, townships are the biggest waste of taxpayer money in all of Indiana government. The county or city could administer the most vital of township functions -- fire protection -- with township firefighters making on par with what city firefighters do. The poor-relief, assessing, the constabelizing, and small-claims courts could all be handled by the county.

Dave Kitchell, Logansport Pharos-Tribune - For that matter, there might be a case made for consolidating Caston and Pioneer or Caston and North Miami. Combining schools could provide more course offerings not only for gifted and talented students, but all students. And it could save taxpayers some money. It would give them greater value for their dollar without raising taxes. The timing for consolidating more schools is just about right. Why? Because the first wave of consolidation spawned a generation of schools that is beginning to reach its age limit. Construction costs associated with new buildings is staggering, and if the investment in new, better facilities is to be made for smaller communities and school corporations, those decisions will have to be made in the next few years. Even if the school corporations were not consolidated, consolidating some of the administrative staff could reduce costs. Reducing the number of superintendents and finance staff at a school corporation could reduce overhead. It’s a concept that has been used for years in vocational and special education, and there is no reason why it could not be used at other levels in schools.

Peter Rusthoven, Indianapolis Eye - Miguel Estrada, whose nomination to the U.S. Court of Appeals for the D.C. Circuit is being filibustered by Senate Democrats, is the latest victim of the Supreme Court’s 1973 Roe v. Wade decision transforming abortion into a “constitutional right” by judicial fiat. The “A-word” is rarely uttered by the 44 senators blocking Estrada (including Evan Bayh, Indiana’s self-proclaimed “moderate”). But their stated pretexts are a smokescreen for the Scarlet Letter that (thanks to Roe) has made key appointments to the “nonpolitical” of the three Federal branches the focus of fiercely partisan political warfare.

Miguel Estrada is being blocked below the Supreme Court level because the D.C. Circuit is often a stepping-stone; he is a likely candidate for future elevation; and NARAL et al. are laying down a marker on the next Supreme Court vacancy. Every Democratic senator who wants to be president knows this is litmus-test territory for groups with de facto veto power on the nomination. Evan Bayh learned in 2000 that straying from orthodox doctrine on partial birth abortion made him an unacceptable Al Gore running mate. Evan Bayh is a very quick study.