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Outlook for 2009

Considering the unexpected ups and downs of 2008, there's no clear roadmap for 2009. There are, however, plenty of clues to important stories that will be making the headlines in Dixie this year. Here, state by state, events -- affecting both politics and economics in the South -- that are likely to make news.

Alabama. A much-awaited event, probably occurring this spring, will be an 11th Circuit Court of Appeals ruling upholding or overthrowing the conviction of former Gov. **Don Siegelman** (D) on corruption charges, or granting him a new trial. Last year, Siegelman made news when he was released from prison until his appeal could be heard.

Arkansas. Gov. **Mike Beebe** (D) will be trying to get a \$300 million program to attract more industry to Arkansas through the legislature. The funds would come from the state's surplus, which lawmakers might prefer to use for projects in their own districts. This is the first year that the legislature is meeting annually, instead of biannually, and there's speculation that it will strengthen the hand of the lawmakers at the expense of the governor.

Florida. Look for former Gov. **Jeb Bush's** (R) announcement that he will -- or won't -- seek

the US Senate seat of retiring US Sen. **Mel Martinez** (R) in 2010. If Bush runs, he'll more or less clear the field. If he doesn't, look for a battle-royal involving both political parties.

Georgia. The big story in the Peach State, says *InsiderAdvantage Georgia* editor **Dick Pettys**, is "how the state deals with the projected \$2 billion shortfall." With only \$1 billion in the reserve, Gov. **Sonny Perdue** (R) is proposing cuts of 8% or more. Even though Perdue and a majority in both legislative chambers are Republicans, there are likely to be some fights.

Kentucky. Gov. **Steve Beshear** (D), facing nearly a \$1 billion deficit, will push a recession-era budget that doubles the tax on cigarettes to \$1 a pack and keeps education fully funded. Last year, lawmakers turned down his key campaign proposal, to expand casino gambling. Can his new plan do better?

Louisiana. US Sen. **David Vitter** (R), a rock-solid conservative, was tainted with scandal in 2007 when his name showed up on a list of clients of the "DC Madam," operator of a call-girl business in the nation's scandal. This year, watch to see if Secretary of State **Jay Dardenne** (R) begins gearing up to challenge Vitter in the 2010 primary.



Mississippi. In 2008, the Magnolia State's legal and political establishment was rocked by "Scruggs I" the name folks are calling the conviction and imprisonment of famous trial attorney (tobacco, asbestos, etc.) **Richard "Dickie" Scruggs** on charges of trying to bribe a judge. In 2009, look for "Scruggs II," the expected indictment of the once-prominent lawyer in another bribery-related case. The prospect of a second trial got a boost after another Mississippi attorney, **Joseph "Joey" Langston**, pled guilty to involvement in a different bribery case and has since testified a dozen or so times before a grand jury. Speculation abounds that an indictment may be handed down later this month. Scruggs, though a big-time Democrat, is the brother-in-law of former Senate Majority Leader **Trent Lott** (R-MS).

North Carolina. "The big thing here is, how do we cope with the recession?" says **Ferrell Guillory**, director of UNC-Chapel Hill's Program on Public Life, who forecasts the coming legislative session "will likely be a long contentious session." Budget battles will center on what gets cut and what doesn't, an ugly process. At stake is the welfare of the state's university system, school reform programs, and mental health programs.

Oklahoma. Gov. **Brad Henry** (D) faces a legislature with both houses under GOP control for the first time in modern history. The big fight will be over tort reform, backed by GOP lawmakers and some Democrats, but opposed by Henry. The governor has the upper hand, says University of Oklahoma poly sci prof **Keith Gaddie**, since it will take a two-thirds vote in each chamber to overturn the governor's almost certain veto.

South Carolina. Gov. **Mark Sanford** (R) will be dealing with serious budget problems, but it won't help that the legislature, albeit

controlled by his fellow Republicans, "will stay at war" with the governor, as one former legislator -- still in the know -- puts it. There's also a budding controversy over recorded-vs.-unrecorded votes in the House, with one legislator making an issue of it, perhaps as a platform for a bid for lieutenant governor.

Tennessee. Gov. **Phil Bredesen** (D), a pragmatic, can-do sort of governor, is facing a \$1 billion deficit -- "That's huge," says *Tennessee Journal* editor **Ed Cromer**. Bredesen is expected to ask the legislature to grant him more authority to deal with economic conditions as they develop. He may have a tougher time now that he faces two Republican houses in the legislature, the first time that's happened since 1869. However, notes Cromer, in the last session, Bredesen "probably had fewer problems with the Senate Republicans than the House Democrats."

Texas. The big Lone Star State story will come January 13 when the Texas House of Representatives re-elects Speaker **Tom Craddick** (R), or chooses one of his dozen or more challengers. So far, 64 Democrats and 15 Republicans have publicly declared they won't vote for Craddick, -- a four-vote majority of 79. But whether all of Craddick's foes can agree on an alternate speaker is a major hurdle.

Virginia. Unlike the rest of Dixie, it's election year in Virginia. The big news will come first in June, when Democratic Primary voters choose their nominee from three prominent contenders -- state Del. **Brian Moran**, who has the backing of lots of fellow legislators; state Sen. **Creigh Deeds**, who ran an exceptionally strong race for attorney general four years ago, losing by a mere 323 votes; and former National Democratic Chairman **Terry McAuliffe**, a major money raiser. The big news will come again in November when the winner of the Democratic Primary faces



Republican Attorney General **Bob McDonnell**. Polls show a close race.

Dixie's Top Ten Politicos in 2008

The thirteen Southern states experienced momentous political change in 2008, breaking out of the GOP's virtual lock on the region in presidential elections and making significant gains in congressional elections. Officeholders past and present in both parties were participants in this historic year. Here are SPR's picks for the ten most important politicians in the South this year.

1. **Mike Huckabee** (R-AR), former governor of Arkansas, came from the nether regions of the race for the GOP presidential race to a near-win and national prominence -- he's now a Fox News commentator -- entirely by the force of his own wit and wisdom. Without big money, a large home state, or an overriding issue to put the wind at his back, he remained a major factor in the GOP race almost to the end, and is on the short list for 2012.

2. **The Tar Heel Women** proved that a Southern state can put its ladies behind the podium as well as on a pedestal when they took over the governorship, a majority of positions on the Council of State (six of ten) and changed the party but not the gender of a US Senator. Chapeaux off to Gov.-elect **Beverly Perdue** (D), US Sen. **Kay Hagan** (D), et al!

3. US Sen. **Bob Corker** (R-TN) was merely a freshman but he took the lead in trying to forge a compromise on a financial rescue package for the nation's embattled automotive industry. "He's the sort of guy who gets engrossed in things and masters the details," a Nashvillian told SPR, and that shows.

4. **Ron Kirk**, US Trade Representative-designate (D), is the only Southerner with

cabinet status among **President-elect Obama's** top-job choices. Kirk was the first African-American mayor of Dallas and ran a respectable race (43%) for the US Senate in 2002, but he is taking on an even more influential job as Obama's choice to handle the thorny political and economic issues in US trade relations.

5. **US Rep. Travis Childers** (D-MS) stunned the national political establishment in both parties when he won a special election for a congressional seat previously held by a Republican in the Deepest of Deep South states. Childers, who had previously been a county clerk of court, combined old-fashioned personal politics with a populist economic message that was a harbinger of things to come for Democrats throughout the nation.

6. **President George W. Bush** (R-TX) leaves office next month with low popularity ratings, one war winding down while another ratchets up, and an economy in shambles. Nevertheless, he has conducted the closing months of his administration in a judicious fashion, keeping Obama in the loop and coordinating economic proposals with leaders of both parties on Capitol Hill. We are among those who believe that, like **Harry Truman**, he will benefit from history's judgment.

7. **US Sen. Mary Landrieu** (D-LA) was considered the most vulnerable incumbent Democrat in the upper chamber, but she tended to her knitting, fighting for aid to help her state's continuing recovery from the 2005 hurricanes. Despite **John McCain's** victory in Louisiana, as well as significant wins by the GOP in congressional races, and a strong Republican foe, Democrat Landrieu proved she has staying power in a Deep South state, winning re-election by 52% to 46%.



8. **US Sen. Mark Warner** (D-VA) put the icing on the cake for Old Dominion Democrats by winning a second Virginia US Senate seat for his party by a whopping 64% to 35%. Warner, a popular former governor, defeated once-popular former Gov. **Jim Gilmore** (R) and helped turn his state from Red to Blue.

9. **US Rep. Anh “Joseph” Cao** (R-LA), an immigration lawyer, shocked everybody in New Orleans, in Louisiana, and in the rest of the country when he upset indicted US Rep. **William Jefferson** (D-LA), an African American, in a December runoff in the 64% black 1st District by 50% to 47%. Cao -- pronounced “gow” -- becomes the first Vietnamese-American in Congress.

10. **US Rep. Artur Davis** (D-AL) was one of the first members of the Congressional Black Caucus to jump on the Obama bandwagon, foreseeing that his appeal to African Americans would revolutionize politics in the South. Now Davis is revving up to run for governor of Alabama in 2012.

Obama’s Yankee Cabinet

The dearth of Southerners in President-elect **Barack Obama**’s cabinet choices is a legitimate source of comment, but probably not a matter of concern for folks below the Mason-Dixon Line. As the South has become more integrated with the rest of the nation, politically and economically as well as in the key area of race relations, the need to be seen as a separate entity which must be given a place at the table has lessened. Most Southerners, SPR included, always like to see more Southerners in high office, but that’s more akin to regional pride than it is to serious policy questions.

One could argue, of course, that the geographical distribution of Obama’s cabinet

picks may be politically dangerous for the Democrats, who broke into the GOP’s Southern base in a big way on November 4, winning Florida, North Carolina and Virginia, the first time since the Reagan era that the Democrats managed to carry states in Dixie without a Southerner at the top of the ticket. If Obama and his party want to capitalize on that breakthrough, they will certainly have to do better at rewarding the South’s Democratic politicians than they’ve done so far. After all, if up-and-coming politicians don’t see the possibility of advancement attached to joining the South’s Democratic resurgence, they are less likely to join up. Dixie GOPers, starting early for 2010, are already taking note of the absence of Southerners in Obama’s cabinet.

But the Democrats’ interests in the South aside, the near-absence of a Southerner in Obama’s cabinet may not matter a great deal, even to residents of the 13-state South. That’s because Obama achieved what is arguably a much more important diversity in his cabinet picks, a balance of points of view.

Consider:

In keeping Defense Secretary **Robert Gates** at the Pentagon, Obama has signaled that he intends to withdraw from Iraq in a manner that preserves US interests as much as possible. But in choosing retired Generals **Erik Shinseki** and **James Jones** as secretary of veterans’ affairs and national security advisor, respectively, he rewarded respected and experienced military figures who showed a willingness to question Bush Administration policies in Iraq and Afghanistan.

In picking US Rep. **Hilda Solis** (D-CA) as secretary of labor, Obama is rewarding the labor unions. That is appropriate for a Democratic president. Organized labor worked over-time on Obama’s behalf and their efforts



should be recognized. (**John McCain** wouldn't have, and shouldn't have, made a similar appointment). But in choosing former Dallas Mayor **Ron Kirk**, a pro-business African American, as US Trade Representative (the only Southern appointee with cabinet status), Obama is sending a message to business -- here and abroad -- that he does not intend to adopt a protectionist stance that could worsen the national and world economy.

Education Secretary **Arne Duncan** may be from Chicago, but his support for genuine reform in public schools, including backing for charter schools, shows Obama's education policies are not likely to be mired in more of the same old, same old. Indeed, don't be surprised if **President Bush's** "No Child Left Behind" doesn't become one of Obama's education building blocks.

In environmental policy, Obama is moving clearly toward a greener administration. But his key choices are not "watermelons" -- green on the outside, red on the inside. Rather, they too present a balance that suggests a move toward stricter environmental regulation, with due respect for the effect on the economy. **Lisa Jackson**, slated to head the Environmental Protection Agency (EPA), spent 16 years as an EPA regulator before becoming head of the New Jersey environmental agency, where her record drew praise and criticism from both sides of key issues. US Sen. **Ken Salazar** (D-CO), the new Interior Secretary, has both a pro-environmental and a decent rating (68%) from the US Chamber of Commerce. Balance those two with **Steven Chu**, a strong advocate of alternative fuels, as head of the Energy Department and you have a more environmentally friendly administration, but not a radical one.

Eric Holder, the attorney general-to-be, is known more for being a skilled prosecutor and

legal advisor to officialdom than he is for being a shock-and-awe legal innovator in the manner of **Robert Kennedy** in the **John F. Kennedy** administration or **Ramsey Clark** under **Lyndon Johnson**.

Finally, **Hillary Clinton** as secretary of state was a key appointment for Obama in uniting his party. While no longer a Southerner, Clinton and her husband retain considerable support among Democrats in Dixie. Moreover, Clinton's role as a policy-oriented First Lady, in Arkansas and in Washington, shows she knows how to play a supportive but substantive role.

Obama's other choices break some ground and also help unite the nation. **Desiree Rogers**, a Chicagoan from a prominent New Orleans family, is the first African-American White House social secretary, a role in which she could help change the perception many white people have of black people. **Robert Gibbs**, the new communications director, is an Alabamian educated in North Carolina who will assure that the nation gets its White House news in a Southern accent.

Finally, Obama's decision to have **Rick Warren** deliver the invocation at his inauguration made clear that the president-elect understands just how diverse the population of this vast nation is. By including a fundamentalist evangelist, though not an extremist, in his inaugural ceremony, Obama is saying that he is president of everybody, even those with whom he has little agreement. Obama chose Warren as a bridge to that large portion -- perhaps 40% of more -- of the American people who identify as evangelical Christians. You don't build a bridge with someone who already shares all of your views.

So while we will miss all the folks from Dixie that have held top jobs in the Bush and Clinton



administrations, let's give Obama kudos for assembling a balanced team that will reward his center-left supporters, but does not ignore the center-right folks who also help make this great nation work.

Grits

? Louisiana: Cao Captures Capital Spotlight. Anh "Joseph" Cao (R), the Vietnamese immigration lawyer who defeated 18-year incumbent **William Jefferson** (D) in a special election last month in the 2nd District (New Orleans, etc.), is getting celebrity treatment in the Washington media, compared to the usual ho-hum that typically greets congressional freshmen. This week, the *Washington Post's* Style section gave Cao -- say "gow" -- the lead page one story, complete with a color photo that dominated above the fold and one of his family below the fold. The story, which continued for a full page inside, highlighted his religious background (he was a Jesuit before he became a lawyer); his size (he's 5 ft. 2 in. tall and weighs a mere 125 pounds); his principles (honesty and stronger levees); his political strategy (he stayed out of sight until the Democratic runoff was over, then came on with all guns blasting); and his future prospects (poor, as local Democrats are already gearing up to beat him in 2010 with a non-indicted nominee). But then his prospects were poor in 2008.

? North Carolina: Miller Not Running for Senate. Congressman **Brad Miller** (D), mentioned as a possible challenger to US Sen. **Richard Burr** (R-NC) in 2010, announced that he will not run for the Senate, but will seek re-election to his Raleigh-based congressional seat. Miller was courted as a potential Democratic candidate against US

Sen. **Elizabeth Dole** (R) for 2008, but stayed put then, too. Other names still getting consideration for the race against Burr include US Rep. **Heath Shuler** (D), a former professional football player; state Treasurer **Richard Moore** (D), who lost (40%) the Democratic gubernatorial primary this year, and state Attorney General **Roy Cooper** (D), his party's top vote-getter in 2008. Just how vulnerable Burr will be is unclear. He is a skilled legislator and politician. On the other hand, Tar Heel Democrats are on a roll.

? Three Southerners Seek GOP Top Spot. Six contenders are running for chairman of the Republican National Committee (RNC), which meets on January 28 to elect a new head of the party. Three of the six are from Dixie, including incumbent RNC Chair **Mike Duncan**, the national committeeman from Kentucky; **Katon Dawson**, chairman of the South Carolina Republican Party; and **Chip Saltsman**, a former chairman of the Tennessee Republican Party and the 2008 campaign manager for Arkansan **Mike Huckabee**. (It was Saltsman who probably spoiled his chances by distributing a CD containing a parody entitled "Barack the Magic Negro.") The other three candidates are **Michael Steele**, former lieutenant governor and former state GOP chair in Maryland, one of two African-Americans in the race; **Saul Anuzis**, Michigan Republican chairman; and **Ken Blackwell**, Ohio Secretary of State and former mayor of Cincinnati, who has joined his campaign with that of Texas GOP Chair **Tina Benkiser**, a candidate for RNC co-chair. Blackwell is also an African American. While Duncan has the advantage of being the incumbent, the others could get a boost from those who believe the Grand Old Party needs a fresh face at the helm in the new Obama era.