

BRIEF
STATE

INDIANAPOLIS

Daniels to phone in testimony for lawsuit

Gov. Mitch Daniels will give a 30-minute deposition in a federal trial in which former Indianapolis Power & Light Co. employees say utility officials failed to protect their retirement savings from a multimillion-dollar stock collapse.

Daniels was a member of the board of directors for IPALCO, the utility's parent company, when it agreed in 2000 to allow the company to be acquired by Virginia-based AES Corp. in a stock swap.

The governor is not a defendant in the case, but he has been subpoenaed to testify in the trial set to begin Tuesday in U.S. District Court in Indianapolis. He is listed as a witness by both the defense and the about 2,000 retirees who are plaintiffs.

The \$100 million lawsuit alleges that the value of employees' 401(k) and retirement plans plummeted when AES acquired the utility in 2001. The suit also alleges company officers dumped IPALCO shares about the time employees were prohibited from selling company stocks owned through their benefit plans.

BRIEF
NATION

WASHINGTON

Lawmakers call for overhauling FEMA

The Federal Emergency Management Agency should be dissolved and rebuilt before the upcoming hurricane season, a Democratic senator said Sunday.

"FEMA has become, to many people in America, and particularly the Gulf Coast, a joke, a four-letter word," said Sen. Joseph Lieberman, D-Conn., and a member of the Senate Homeland Security and Governmental Affairs Committee.

He said he favored keeping the agency within the Homeland Security Department. FEMA was independent before it was folded into Homeland Security when the department was created after the Sept. 11 attacks.

"It's time for FEMA to go and to build something better, stronger within DHS to take its place," Lieberman said.

Homeland Security Secretary Michael Chertoff, in appearances on Sunday morning talk shows, warned against overhauling FEMA with the hurricane season only three months away.

BRIEF
WORLD

JERUSALEM

Israel halts payments to Palestinians

Israel branded the Palestinian government a "terrorist authority" Sunday and halted the transfer of hundreds of millions of dollars in tax money after Hamas took control of the Palestinian parliament.

But the Israeli government held off on adopting even more drastic measures recommended by security officials, mindful of possible international reaction.

The sanctions came as the Palestinian militant group worked to consolidate its power and form a government, nominating one of its more pragmatic leaders, Ismail Haniyeh, to be the new prime minister.

Also Sunday, Israeli troops killed four Palestinians in two separate incidents.

Mahmoud Abbas, president of the Palestinian Authority, was scheduled to meet with Haniyeh in Gaza on Monday and formally ask him to assemble a Cabinet, a task Haniyeh would have five weeks to complete.

THE WAR AGAINST TERRORISM

Iraqi talks stall



Iraqi Kurdish troops and U.S. soldiers inspect the wreckage of a German plane scattered over a wide area in mountainous terrain about 25 miles northeast of Sulaimaniyah, Iraq, on Sunday.

Policy differences could delay troop withdrawal

By QASSIM ABDUL-ZAHRA
THE ASSOCIATED PRESS

BAGHDAD, Iraq

Iraqi political parties have run into major obstacles in talks on a new national unity government, officials said Sunday, raising the possibility of a major delay that would be a setback to U.S. hopes for a significant reduction in troop levels this year.

U.S. officials hope a new government that includes representatives of all Iraq's religious and ethnic communities can help calm violence by luring the Sunni Arab minority away from the Sunni-dominated insurgency so that U.S. and other foreign troops can begin to head home.

But prospects for a broad-based coalition taking power soon appeared in doubt after officials from the Shiite and Kurdish blocs told The Associated Press that talks between the two groups had revealed major policy differences.

The political parties have decided to negotiate a program for the new government before dividing up Cabinet posts — a step that itself is also bound to prove contentious and time-consuming.

Leaders from Iraq's Shiite majority oppose a Kurdish proposal to set up a council to oversee government operations, the officials said. Shiites also reject a Kurdish proposal for major government decisions to be made by consensus among the major parties rather than a majority vote in the Cabinet.

"If the position of the Shiite alliance is final, then things will be more complicated and the formation of the government might face delays," Kurdish negotiator Mahmoud Othman said.

IN OTHER DEVELOPMENTS

Wreckage of German plane found

In northeastern Iraq, search parties alerted by a shepherd found the wreckage of a German private plane that went missing in bad weather three days earlier with five Germans and one Iraqi on board.

Iraqi and U.S. officials said there were no signs of survivors.

Four die in attack on convoy

Gunmen ambushed a convoy of trucks carrying construction material to the U.S. military north of Baghdad on Sunday, killing four Iraqi drivers.

A police general also died in a roadside bombing in northern Iraq.

Shiites believe the Kurdish proposals would dilute the power that Shiites feel they earned by winning the biggest number of seats in Dec. 15 parliamentary elections. But while Shiite parties control 130 of the 275 seats, that is not enough to govern without partners.

"Some parties are trying to undermine efforts to form a new government," Shiite politician Ammar Toamah said. "These blocs should not necessarily participate in government."

He also said the Kurdish coalition, which controls 53 seats, was pushing for a role for a secular group led by former Prime Minister Ayad Allawi, a Shiite whose party won 25 seats.

Many Shiites oppose Allawi because of his secular views and his role in the U.S. attack on Shiite militias in Najaf and Karbala in 2004 when he was prime minister.

Shiites and Kurds were partners in the outgoing interim government, and talks with Sunni Arabs are likely to be even more difficult because Sunnis refuse to brand all insurgents as terrorists.

Landslide rescue yields few survivors

At least 1,800 people missing after mud covers village in the Philippines

By HRVOJE HRANJSKI
THE ASSOCIATED PRESS

GUINSAUGON, Philippines

Marine Capt. Jeff O'Donnell lost his home in New Orleans to Hurricane Katrina, but he was still shaken by the devastation left by a river of mud that smashed over this once bustling farming village.

"This is my first time to see anything like this," O'Donnell said Sunday after arriving with the first group of U.S. Marines sent to aid Filipino teams digging through muck up to 30 feet as hope for finding survivors rapidly faded.

Only about two dozen battered, dazed people have been rescued from the debris left by Friday's disaster, which left some 1,800 people missing and presumed dead.

A woman who escaped the destruction said the first inking of the calamity was a mild shaking of the ground, followed by a loud boom and a roar that sounded like many airplanes.

"I looked up to the mountain,

"I looked up to the mountain, and I saw the ground and boulders rushing down. I thought I was dead. If the landslide did not stop, I would really be dead now."

Alicia Miravalles

resident of Guinsaugon, Philippines, on surviving a landslide that covered her village

and I saw the ground and boulders rushing down," said Alicia Miravalles.

She said she ran across her family's rice field ahead of the wall of mud and boulders. "I thought I was dead. If the landslide did not stop, I would really be dead now."

Florencio Libaton, an injured villager, told of being caught by the soupy mush while trying to flee with his wife. He said he was rolled and tossed among boulders and tree trunks that were swept down the adjacent mountainside.

"I said, 'God, is this how we are going to die?'" Libaton recalled at Anahawan District Hospital.

Rescuers found him pinned under a tree trunk and mud.

"I yelled out, 'Help! Help! Then they pulled me out after digging with their hands," he said.

There was no sign of Libaton's wife, Porfiria. He feared he also lost his children, a son and two daughters, when the mud buried the village's elementary school, along with 250 to 300 children and teachers.

Weary search teams found more than a dozen bodies Sunday, raising the number of confirmed deaths to 72. With no one left to claim the dead and bodies quickly starting to decompose in the tropical heat, officials ordered them buried in mass graves.

Security forces seal Islamabad

Officers try to quell cartoon protests

By MATTHEW PENNINGTON
THE ASSOCIATED PRESS

ISLAMABAD, Pakistan

Pakistani security forces arrested hundreds of Islamic hardliners, virtually sealed off the capital and used gunfire and tear gas Sunday to quell protests against caricatures of the Prophet Muhammad.

Pakistan had banned protests after riots killed five people in two cities last week.

Elsewhere in the Muslim world on Sunday, demonstrators with wooden staves and stones tried unsuccessfully to storm the U.S. Embassy in Indonesia, while tens of thousands rallied in the Turkish city of Istanbul and complained about negative Western perceptions of Islam.

Troops patrolled the deserted streets of the northern Nigerian town of Maiduguri, where thousands of Muslims attacked Christians and burned churches Saturday, killing at least 15 people during a protest over the cartoons. Most of the victims were beaten to death by rioters.

In Saudi Arabia, newspapers ran full-page apologies by Jyllands-Posten, the Danish newspaper that first ran the caricatures in September. The newspaper's Web site said businesses placed the ad on their own initiative, using an apology issued by the newspaper late last month. It did not identify the companies or say if they were Danish.

Boycotts of Danish products throughout the Muslim world have taken a heavy toll on Denmark's exporters, especially those selling Denmark's famed dairy products.

The cartoons, which have been reprinted by other Western publications, have outraged Muslims. But protests over the past three weeks have grown into a broader



Demonstrators drag effigies of Danish Prime Minister Anders Fogh Rasmussen and President Bush during a demonstration in Istanbul, Turkey, on Sunday.

anger against the West in general, and Israel and the United States in particular.

Demonstrations have turned increasingly violent and claimed at least 45 lives worldwide, including 11 in Afghanistan during a three-day span two weeks ago and 10 on Friday in the Libyan coastal city of Benghazi. The Libyan riot outside the Italian consulate apparently was sparked by a right-wing Italian Cabinet minister who wore a T-shirt with a caricature of Muhammad.

On Sunday, thousands of police and paramilitary troops manned armored personnel carriers and sandbag bunkers in and around Islamabad to block a planned rally organized by a coalition of hardline Islamic parties that sympathizes with the former Taliban regime in Afghanistan and is fiercely anti-American.

Fireworks bill sparks concerns

By DEANNA MARTIN
THE ASSOCIATED PRESS

INDIANAPOLIS

An effort to legalize the use of fireworks in Indiana would do little to improve enforcement of the law and raises questions about who is liable for injuries or property damage caused by pyrotechnics, critics say.

"I've had too many times where kids have lost fingers and eyes because of fireworks," said Sen. Robert Meeke, a Republican from LaGrange. "It bothers me to now make them legal."

A bill being considered in the Senate would allow people to set off fireworks on their property, or on someone else's property if they had permission. Fireworks would not be sold to people under 18 years old.

Current law requires people who buy certain fireworks, such as firecrackers and bottle rockets, in Indiana to sign a statement pledging to use them outside the state or at certain controlled locations.

But charging people with illegally using fireworks has proven difficult.

States that make customers promise to take fireworks out of state have historically had "a wink and a nod enforcement" of such rules, said Julie L. Heckman, executive director of the American Pyrotechnics Association.

Steve Johnson, executive director of the Indiana Prosecuting Attorneys Council, said Indiana's current law is "virtually unenforceable."

Often times a police officer has to witness someone shooting off fireworks to make an arrest, Johnson said. Officers could write a ticket if someone's neighbor turned them in, he said, but that rarely happens.

He said a fireworks user who causes injuries or damage could be charged with criminal recklessness — regardless of the status of fireworks.

"Whether they're legal or illegal, that would be a difficult case to prove," Johnson said.

Sen. David Ford, R-Hartford City, said fireworks users should be held at least partially responsible.

But he said it wouldn't be fair to hold users totally accountable because they might not always be able to pay for damages, and other times it might not be completely their fault.

"A lot of times (fireworks) are erratic and there's really no negligence involved," Ford said. "It just goes the wrong direction."

Ford said he was drafting an amendment to the proposed bill that would require fireworks manufacturers or distributors to take out extra insurance to help pay for injuries or damage done by legal fireworks.

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