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ON
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Reactionary legislature hurts state

There are issues in Indiana other than the toll road lease and building Interstate 69. Yet some people in the legislature refuse to relinquish their roles as reactionaries.

Example: Out of their minds with the fear of foreigners, the House insisted that toll booths display American flags. Why not require that all British Petroleum gas stations fly the American flag? How about giving a loyalty test to Mittal Steel, which owns a big chunk of assets in northwestern Indiana?

Example: One or more Indianapolis legislators are opposed to running I-69 into Indianapolis. Where do they want it to go? The community likely to get the greatest benefit from I-69 is not Bloomington, Washington or Evansville. It is Indianapolis, if the road comes as directly as possible into the city.

The interstate will relieve traffic on already jammed State Roads 37 and 67. Developments in southwest Marion and northeast Morgan counties have already destroyed the rural character of those areas. Don't give us the fake argument that I-69 is going to change the quality of life adversely in those places.

In fact, the current plan is inadequate. It takes I-69 from the south up to Interstate 465 when it should go right into downtown Indianapolis. This would be a bold, sensible approach to a decayed section of our capital city.

Then I-69 should proceed to connect directly with the existing route that currently stops on the northeast corner of I-465.

Example: Many legislators want to delay making any decision about I-69 and other roads for another round of studies and hearings.

Are they mad? We have spent millions of tax dollars on studies and hearings already.

A small group of unrealistic romantics want to stop road improvements, but the number of supporters is far greater. Go down to Evansville, as I have twice in the past two weeks, and you will not find anyone who says this road is not needed and needed now.

Supporters of I-69 in Indianapolis, Bloomington, Evansville and other places are not as vocal as their rabid opponents.

Everyone has had a chance to speak often. Now is the time to get on with building a road that is already 15 years overdue.

Example: Some legislators want to give tax credits to residents of counties through which the toll road passes.

Selling electronic discount passes for frequent users might make sense, but any other mechanism that does not relate directly to toll road use is foolishness.

Example: Opponents of the 75-year lease for the toll road are raising fears of uncertainty.

"We don't know what may happen in that long time span," they whine.

Right, but we don't know what may happen in the next 75 months, days or minutes.

We keep asking our leaders to take the long view. We are tired of corporate executives who act as though only the next three months are important.

Now when there is a proposal on the table that does take a long view (and passes the risks off to a willing private party), the timid want to shrink back.

The Major Moves proposal put forward by Gov. Mitch Daniels is meeting great opposition, even in his own party, because it was proposed by the governor. Partisan politics and the egos of legislative leaders are at stake here, not the merits of the proposal.

This proposal may not be perfect; and if it can be improved, let us do it. But if our legislators cannot discuss it in a mature manner, let the voters ferret out the foolish at the ballot box.

Indiana can no longer afford a pandering, partisan, procrastinating General Assembly.

Morton Marcus is an economist, formerly at the Kelley School of Business, Indiana University.

Housing boom going bust?

New-home sales slide farther than predicted; lowest since November

By MARTIN CRUTSINGER
THE ASSOCIATED PRESS

WASHINGTON

Sales of new homes fell for the second time in three months in January, providing further evidence that the nation's five-year housing boom is slowing.

The Commerce Department reported Monday that sales of new single-family homes dropped by 5 percent to a seasonally adjusted annual rate of 1.233 million units last month.

That was a bigger drop than analysts had been expecting and provided support to the view that the housing market, after setting sales records for five straight

years, is slowing under the impact of rising mortgage rates.

The 5 percent January drop in sales followed a revised 3.8 percent increase in December and was the biggest setback since a 7 percent drop in November.

Despite the fall in sales, the median price of a new home was up in January to \$238,100, compared with \$229,000 in December. The median is the point where half the homes sold for more and half for less. The January figure was the highest since an all-time high of \$243,900 set in October.

Economists had expected sales to be supported last month by the warmest January in more than 100 years of record-keeping. Unusually

mild weather had pushed up construction of new homes and apartments by 14.5 percent last month, the biggest increase in more than three decades.

However, the milder weather did not have the same positive impact on sales, which fell in all regions of the country except the West.

The biggest decline was a 14.9 percent decrease in sales in the Northeast, which followed an even bigger 23 percent plunge in sales in December. Sales in the Midwest were down 10.8 percent after having risen by 21.2 percent in December.

Sales fell by 10.3 percent in the South in January following a 1.2 percent gain in December.

Bucking the national trend, sales in the West posted an 11.3

percent increase in January after a 6.3 percent gain in December.

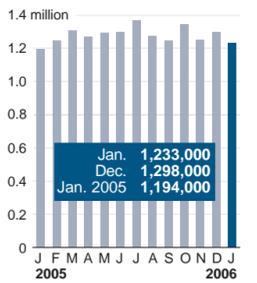
Mortgage rates have been rising gradually for a number of months with the 30-year mortgage now at 6.26 percent, according to the latest Freddie Mac survey. Many analysts believe that 30-year mortgages will rise to between 6.5 percent to 7 percent by the end of this year.

They think that increase will be enough to trim sales of both new and existing homes and slow the double-digit gains in prices seen in recent years.

The National Association of Realtors reported that a record 72 metropolitan areas saw double-digit gains in home prices in the final three months of 2005 compared to the price levels at the end of 2004.

New home sales

Sales of new single-family homes at a seasonally adjusted annual rate



SOURCE: Department of Commerce AP

Banks sharing the wealth

Daily Journal staff report

Two banks with local branches have declared quarterly dividends.

Heartland Bancshares Inc., which is based in Franklin, announced Monday that it declared a cash dividend of 5 cents per common share payable on March 31 to shareholders of record on March 6.

This is the second cash dividend paid by Heartland since its formation in 1997. Heartland paid a special 20-cent-per-share dividend Nov. 1, its first cash dividend.

Heartland Community Bank is a subsidiary of Heartland Banc-

shares Inc. It operates branches in Bargersville, the Center Grove area, Franklin, Greenwood and on the southside of Indianapolis.

MainSource Financial Group has declared a first-quarter dividend of 13.5 cents per share. The dividend is payable on March 15 to shareholders of record on March 6.

The dividend represents a 4 percent increase over the dividend paid to shareholders in the first quarter last year.

MainSource Financial Group, headquartered in Greensburg, operates branches in Bargersville, the Center Grove area, Franklin, Trafalgar, Whiteland and the southside.

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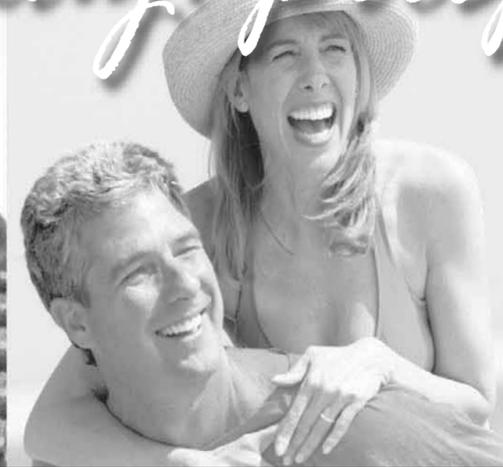
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