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Barbour's 'miracle,' rivals' ammo

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Haley Barbour's calling card for a presidential run is the "Mississippi Miracle" — a record as governor that includes steering his state through the ravages of Hurricane Katrina, revamping Medicaid and cutting spending across the board to balance the budget.

But Barbour's rivals likely will seize on another aspect of his record — a hat trick of tax hikes that earned low grades from a respected think-tank and already is prompting questions about whether he strayed from conservative principles.

Those who've watched Barbour closely say he's earned the right to boast.

"I think Haley has been an excellent governor, maybe one of the best, if not the best, governor in my lifetime," former Senate Majority Leader Trent Lott (R-Miss.) told POLITICO. He has said, however, that [he'd likely back Mitt Romney for president](#).

The Cato Institute, notorious for tough, anti-tax grading scales for the nation's governors, took a tougher line. The group [gave Barbour a "D" in 2008](#) and a ["C" in 2010](#). The group said the low 2008 grade reflected the fact that per capita spending by the state continued to grow under his leadership, while the 2010 grade was for approving two cigarette tax hikes — 50 cents across the board, and a separate 25 cents on off-brand cigarettes, along with reinstating a lapsed hospital-bed tax to help fund Medicaid. The tax increases came during Barbour's 2009 budget battle, when post-Katrina federal aid had eroded and the national recession was hitting Mississippi hard, with areas like rural Tunica — home to a gambling mecca and little else that's commercial — plagued with an unemployment rate near 20 percent.

"Gov. Barbour has a conservative reputation, but his tax and spending record over seven years as governor has not been very conservative," Cato's staffers wrote in the 2010 report card.

Barbour gave a [major campaign-style speech in Chicago](#) last month extolling his budget-slashing without the help of tax hikes. The next day, Fox News' Chris Wallace grilled Barbour extensively about the Cato grade and the think-tank's claim that spending grew 43 percent in his first term.

Barbour insisted Cato had the facts on spending and revenue wrong and said the cigarette tax hike wasn't done to boost revenue, but was for "health reasons." History shows it was in fact part of a complicated budget agreement in a very tough fiscal year in Mississippi.

Barbour aides declined to respond to repeated requests for comment for this story.

His supporters argue Cato isn't looking at specifics for each state.

"I think it's (within the lines of the) hard choices governors have got to make," said Clarke Reed, a lion of Southern Republican politics and a Barbour supporter. "He's a born

manager and executive. He just knows what to do.”

According to Lott, “The statistics in our state still don’t look good, because we are a poor state. We still have a lot of things we need to do.”

Not everyone sees it that way.

“He’s a very dictatorial, outlaw of Josie Wales-type governor,” said state Rep. Steve Holland, a Democrat who has butted heads with Barbour. “Everything in the Barbour administration is about money.”

Barbour recently had to **abruptly cancel** his first planned trip to New Hampshire to race home to deal with a long-known-of budget deadline as editorial boards and legislative Democrats demanded he return.

He’s also faced fresh questions about whether he’s improperly used the state plane for **out-of-state political trips** — jaunts that create an image starkly at odds with Mississippi’s status as the poorest state in the nation.

“We don’t see a lot of him these days,” Lott chuckled of Barbour, but he added, “He has done a lot of good things. [He’s] been very positive for the state.”

And it reinforces the part of Barbour’s tenure in politics — his connections to the culture of Washington as a lobbyist, former Republican National Committee chairman and Ronald Reagan adviser — that he has sought to downplay in advance of 2012.

“His biggest negative is going to be his longtime association with Washington,” said Steve Elmendorf, himself a Washington-based Democratic lobbyist and longtime Dick Gephardt adviser. “He still was in D.C. for a long time, and conventional wisdom is, that’s not the best place to run for president from. He’s a politically savvy guy. I think he’s going to have to craft a message out of what he did [in] Mississippi.”

But that’s a delicate balance for Barbour to strike with Republican primary voters — touting the budget cuts without reminding them about the tax hikes.

“I do feel like (the tax criticism is) unfair. I felt like he did what he had to do there,” Lott said. “It was very minimal in the big picture. He held the line on the tax issues ... brought in some world-class companies. He has made some changes in education (funding), moved money into job training. We’ve made progress.”

Barbour’s biggest accomplishment is universally seen as the post-Katrina months, when he reaped millions in federal funds working the levers of power he knows so well in Washington, at a time when George W. Bush was still president.

“Katrina obviously was a shining moment,” said Lott, who lost his own Gulf Coast house in the massive storm, and who worked alongside Barbour to secure the funds. “He kept cool, he projected a positive image, we didn’t whine in Mississippi or complain — we just went to work. I’ll be forever grateful that he handled things the way he did.”

Yet the way in which Barbour doled out the resources also faced criticism from anti-poverty advocates who said he was steering the money away from those most in need, cutting a break to those with their own resources.

Still, he can point to key policy initiatives — including tort reform and a dramatic overhaul of Medicaid authorization process in a state where about 20 percent of residents are registered in the program.

Barbour helped lure a jobs-creating Toyota plant to the state, and put in place a commission to study the state's tax code — moves that have overshadowed a net loss of about 77,000 jobs since the year 2000, according to the Mississippi Economic Policy Council.

And while he made across-the-board cuts over the past several years, it was as the recession was harming the state's finances and the federal dollars he wrangled from Washington to help repair the state after Katrina struck were running out.

Barbour has, more than previous Mississippi governors, elevated the post to something beyond a ceremonial title, and has managed to push programs through the Legislature.

“He's been able to maneuver his programs through,” said state Rep. George Flaggs Jr., a Democrat who voted for the cigarette and hospital-bed taxes.

Flaggs, an African-American lawmaker who has criticized some of the governor's proposals but also defended Barbour on a key issue — his sensitivity on race issues, covered Barbour's fiscal flank.

“He came along at a time when the state needed some fiscal restraints, and he provided some of that leadership,” Flaggs said, describing Barbour as “savvy” at pushing his agenda, although many Democrats and activists say that's come at a cost to the neediest.

Yet despite some stumbles out of the gate, Flaggs said Barbour — a consummate salesman — shouldn't be underestimated in his ability to sell himself.

“People call me and ask me about him running for president. You've got to take him seriously,” he said. “Haley Barbour does not take a fight lightly.”