

CAMPAIGN 2008

Obama Wins N.C., Close in Indiana

After One of His Worst Patches, Obama Worked to Change the Story Line

By JONATHAN WEISMAN, SHAILAGH MURRAY and PETER SLEVIN
Washington Post Staff Writers

Two days after his damaging defeat in Pennsylvania last month, Sen. Barack Obama gathered his wife and senior campaign staff around the dining room table of his Chicago home.

For two hours after dinner, Barack and Michelle Obama, campaign manager David Plouffe, message man David Axelrod, deputy campaign manager Steve Hildebrand, communications chiefs Robert Gibbs and Dan Pfeiffer, family friend and Chicago business heavyweight Valerie Jarrett, and scheduling chief Alyssa Mastromonaco hashed over the campaign's history, looked at the upcoming primaries and decided how the candidate would approach the coming two weeks. Obama wanted to get away from the sniping, including his own, and get back to the

approachable, hopeful campaign of last winter's long sojourn in Iowa.

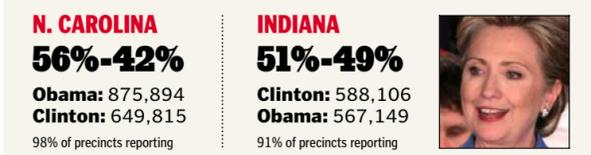
"It wasn't like 'Let's have a discussion.' It was 'One, two, three, four, here's what we're going to do,'" a staffer said. "When things don't go well, he doesn't yell and scream. He's very prescriptive. Everybody understands this isn't about having a discussion. He's got 99 percent of the voting shares. There's no point in taking a vote."

Implored by some Democratic strategists to go more negative, to blow away Sen. Hillary Rodham Clinton, his rival for the Democratic nomination, in North Carolina and finish her off in Indiana, Obama instead went "more intimate, less iconic," as one aide put it. There would be picnics, small gatherings, games of P-I-G in the back yards of basketball-crazy Indiana, his wife and two daughters in tow at times, a riff at the ready about his decision from

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Sen. Barack Obama and his wife, Michelle, acknowledge supporters' cheers in Raleigh after his decisive victory in the North Carolina Democratic primary.



Clinton Vows to Forge Ahead Despite Results Likely to Widen Delegate Gap

By DAN BALZ and SHAILAGH MURRAY
Washington Post Staff Writers

Sen. Barack Obama scored a decisive victory in North Carolina's Democratic presidential primary yesterday, moving him ever closer to locking up an insurmountable lead among pledged delegates, while Sen. Hillary Rodham Clinton was holding a narrow lead in the hotly contested Indiana primary as she sought to keep her shaky candidacy for the nomination alive.

The returns appeared likely to solidify a status quo in the Democratic race, one that now gives Obama (Ill.) the clear advantage, largely because of his solid lead in the tally of pledged delegates, and makes Clinton (N.Y.) an even more distinct underdog.

A big Obama victory in North Carolina and a tight outcome in Indiana meant the senator from Illinois was almost certain to add to

both his pledged-delegate margin and his lead in the popular vote. That would leave Clinton with an even more daunting challenge in finding a way to deny him the nomination.

It was a far different outcome than the Clinton campaign had hoped for. In the closing hours of the campaigns in the two states, her advisers expressed confidence that she was gaining ground on Obama in North Carolina and positioned for a clean victory in Indiana.

Obama, declaring that he is now fewer than 200 delegates away from locking up the nomination, used his victory speech in Raleigh to begin to try to heal the divisions in the party that have resulted from the long and difficult campaign and to sound the themes of a general-election race against Sen. John McCain, the presumptive Republican nominee.

"This fall, we intend to march for-

See PRIMARIES, A7, Col. 1

Fannie Loses \$2.2 Billion As Home Prices Fall

By DAVID S. HILZENRATH
Washington Post Staff Writer

Fannie Mae, one of the main sources of mortgage funding and a barometer of the housing market, yesterday reported that home prices fell faster than it expected during the first quarter, contributing to a \$2.2 billion loss for the company.

The company had been predicting that the toll from defaults and foreclosures would worsen this year, and yesterday it revised its forecast to predict even higher credit losses ahead.

The loss came as the strain of the recent credit crunch continued to roil the housing and finance industries. Yesterday, the Swiss banking giant UBS reported an \$11 billion quarterly loss and said it would cut 5,500 jobs. Meanwhile, the Legg Mason investment firm lost more than \$250 million in its fourth quarter as it set aside money to support its money-market funds.

Fannie Mae and its federal regulator responded to the deteriorating situation by announcing steps that could strengthen the company and the housing market — or put the finance giant in an even deeper hole.

See FANNIE MAE, A16, Col. 5

Federal Agents Raid Office of Special Counsel

By CARRIE JOHNSON and CHRISTOPHER LEE
Washington Post Staff Writers

Nearly two dozen federal agents yesterday raided the Washington headquarters of the agency that protects government whistle-blowers, as part of an intensifying criminal investigation of its leader, who is fighting allegations of improper political bias and obstruction of justice.

Agents fanned out yesterday morning in the agency's building on M Street, where they sequestered Office of Special Counsel chief Scott J. Bloch for questioning, served grand-jury subpoenas on 17 employees and shut down access to computer networks in a search lasting more than five hours.

Bloch, who was nominated to his post by President Bush in 2003, is the principal official responsible for protecting federal employees from reprisals for complaints about waste and fraud. He also polices violations of Hatch Act prohibitions on political activities in federal offices.

Bloch has long been a target of criticism, some of it by his agency's career officials, but the FBI's abrupt seizure of computers

See RAID, A4, Col. 4

60,000 Dead or Missing in Burma



A tidal wave accompanying Cyclone Nargis surged as far as 35 miles inland, inundating low-lying villages such as this one. Burma's military rulers put the storm's death toll at 22,000.

Bush Offers Navy Units, Criticizes Junta as Storm Aid Begins to Reach Rangoon

By AMY KAZMIN
Washington Post Foreign Service

BANGKOK, May 6 — The number of dead and missing in the Burma cyclone soared past 60,000 Tuesday amid signs the toll will rise even higher, as much of the disaster zone remained flooded by seawater, threatened by disease and out of reach of an international relief operation

that is taking shape.

President Bush offered to send U.S. Navy units to help in the operation, and sharply criticized Burma's military-run government for delays in approving visas for emergency teams. Burmese dissident groups took issue with the timing of the administration's criticism, suggesting it could complicate the relief effort.

Emergency supplies began arriving by

air in wind-battered Rangoon, the largest city in Burma. But little or no aid reached the Irrawaddy Delta, a vast and low-lying rice-producing region that absorbed the storm's worst fury. Satellite photos showed catastrophic flooding of fields and villages as far inland as 35 miles.

A tidal wave that accompanied the cyclone was more deadly than the winds, Minister for Relief and Resettlement

Maung Maung Swe told reporters in Rangoon. "The wave was up to 12 feet high, and it swept away and inundated half the houses in low-lying villages," he said. "They did not have anywhere to flee."

Speaking at a brief ceremony in the Oval Office to honor Aung San Suu Kyi, Burma's detained democracy advocate,

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INSIDE



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Local farmers and ambitious chefs make this college town a destination for food lovers. F1



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House Democrats link troop withdrawal and domestic spending to funds for the war. A4

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The civilian agreement had been delayed by debate over Moscow's ties to Iran. A10

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Dominion Virginia Power is seeking permission to raise electric rates 18 percent on July 1. B1

To Save Money, Some Schools In Region Plan Bigger Classes

By MICHAEL ALISON CHANDLER
Washington Post Staff Writer

Under heavy pressure to contain spending, some Washington area school systems are planning to increase class size in the coming year to save money on teachers.

Fairfax County, with the region's largest school system, expects to save \$11 million by inching up staffing formulas half a student per classroom teacher. Loudoun County's School Board has approved giving each teacher one additional student, for a savings of \$7.3 million. Montgomery and Prince George's county schools are seeking to

combine smaller classes or cut support staff and teaching specialists.

The changes would force schools to get by with fewer teachers. In elementary classes, where research shows that smaller class size has the greatest benefit, the average this school year is 19 students in Prince George's, 20 in Montgomery, and 21 in Fairfax and Loudoun.

Tight budgets across the region are pushing school officials to choose between raising salaries or maintaining small class sizes, although no school systems are contemplating teacher layoffs.

See CLASSES, A16, Col. 1