



### Lugar bucks Mourdock's June swoon

Challenger's money, operations & scheduling bring scrutiny

By **BRIAN A. HOWEY**

INDIANAPOLIS - As U.S. Sen. Dick Lugar and Indiana Treasurer Richard Mourdock were making their 11th hour appeals prior to the June 30 FEC report deadline, six people were arrested in Moldova trying to sell more than 1kg of uranium-235 for \$20 million. "Police have learned that they had found a potential customer, a citizen of a Muslim country in Africa," Vitalie Briceag, an Moldovan Interior official, told AFP.

These events underscored perhaps the most compelling reason to return a man who will be 80 years old when the next Hoosier is sworn into the U.S. Senate in January 2013. That Lugar had been at the Ukraine/Moldovan border in August 2007 to inspect high tech WMD detection equipment, and that his staff had been in Moldova in January - just as Mourdock was gearing up a challenge - to follow up on an uranium arrest there last year, was the stuff of global intrigue wrapped around the highest stakes in civilization.

Lugar's political bulwark is his home city of Indianapolis. Within a two-mile radius just south of downtown



Richard Mourdock at a June 11 Tea Party rally in Kokomo that conflicted with Mike Pence's gubernatorial kickoff in Columbus.

you can find three stadiums - including NFL and NBA venues - two major interstates radiating out across the compass, critical Internet and cyber optic terminals, and one of the largest insulin manufacturing sites in the world. A cataclysmic terror nuke strike in Lugar's backyard - in the American heartland - would devastate the American secu-

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### McIntosh will run in 5th

By **BRIAN A. HOWEY**

INDIANAPOLIS - Former congressman David McIntosh will file paperwork for an exploratory committee in the 5th CD, putting him on a potential collision course with U.S. Rep. Dan Burton and a growing Republican primary field there.

"We have decided to run in the 5th and we are opening this week an exploratory committee which is essentially a campaign committee," McIntosh said. His former Congressional office chief of staff - Devin Anderson - will head his campaign.



**"The American people expect us to act on every good idea out there. What they are looking for is that we have done everything we can. They feel their leaders have let them down"**

**- President Obama**



## Howey Politics Indiana

is a non-partisan newsletter based in Indianapolis. It was founded in 1994 in Fort Wayne.

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### Subscriptions

\$350 annually HPI Weekly  
\$550 annually HPI Weekly and HPI Daily Wire.

☎ Call 317.627.6746

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Also supporting McIntosh are former Republican chairs Al Hubbard and Jim Kittle Jr.

McIntosh talked with Burton about a month ago. "I felt I needed to tell him that because we were colleagues," McIntosh said. "He's very confident he would win. He told me, 'I hope you don't do it, if you do, I'll beat you.'"

**Informed and reliable** 5th CD Republicans have told HPI that Burton has considered an 11th hour exit from the campaign just before next February's filing deadline and endorsing State Sen. Mike Delph, a former Burton aide.

Burton spokesman Josh Gillespie said last week that Burton planned to seek reelection to a 15th term.

McIntosh was elected to Congress in the Gingrich Revolution of 1994 and served until 2000 when he was nominated to unsuccessfully challenge Gov. Frank O'Bannon.

McIntosh noted that he ran in a crowded primary - four candidates - in 1994 in what was an open seat after U.S. Rep. Phil Sharp decided to retire. It would have been five candidates but the expected frontrunner - Indiana Auditor Ann DeVore - failed to file her candidacy on time. McIntosh then defeated Secretary of State Joe Hogsett that November.

McIntosh acknowledged that during their time together in Congress, he and Burton's voting records were similar.

"This is not a race against him," McIntosh said. "It's chiefly a question of using the position to drive the conservative agenda and get things done. What's really called for is my experience in 1994. I have experiences before and after that. I know how Washington works. I'm a fighter. I know how to keep fighting for smaller government. The country is so far off track with President Obama's leadership."

McIntosh added, "When I see

the cover of TIME magazine showing the shredding of the Constitution, it shows that everything is at stake. I've spent my entire life working on things like that. I felt I needed to offer a vision."

McIntosh noted that he had battled President Clinton over the balanced budget amendment and added, "You have to really fight for your principles."

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**HPI is taking the rest of this week off. The HPI Daily Wire will resume on Monday July 18. Watch [www.howeypolitics.com](http://www.howeypolitics.com) for updates.**

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McIntosh said that he will campaign on a Republican Study Group initiative of cutting the budget in tandem with a balanced budget amendment. "That essentially says Congress won't extend debt ceiling unless it's part of a plan to send balanced budget to states, along with deep cuts, and there's an automatic cap. If spending increases, it goes down automatically to the cap."

McIntosh said his biggest contrast with Burton comes with the pharmaceutical industry. McIntosh favors an acceleration in bringing new drugs to market. "I worked with Dan Quayle on accelerated approval when he was vice president," McIntosh said. "On the oversight committee I chaired we pushed the FDA to not over-regulate new drugs. I have been a big promoter of the market area. Dan has been a critic of the drug industry."

### Is McIntosh concerned

about a crowded primary? Dr. John McGoff has already declared and former District Attorney Susan Brooks is about to get into the race.

McIntosh said he has talked with McGoff, as well as 2010 Burton primary challengers Brose Mcvey and Mike Murphy, neither of whom are planning to run this cycle.



"Dan Burton had 30 percent of the voters who wanted him back there and 70 percent didn't," McIntosh said. "My approach is I'll focus on the position and tell them what I can do in Congress. Hopefully they'll say, 'He's the guy.'"

Politico surveyed a number of 5th CD Republicans and found a persistent anti-Burton sentiment. "The reason so many people are running against him is because he's vulnerable," said Howard County Republican Party Chairman Craig Dunn. Dunn endorsed Burton in 2010 when just two of the 11 county chairs did so. Dunn will not endorse

Burton this time.

**"If you're looking at someone** who got around 30 percent, there is blood in the water," said former Marion County Republican Party Chairman Tom John, who is likely to support Brooks. Said Marion County Republican Party Chairman Kyle Walker, "Based on how the district is redrawn, if last year's election was held today, he would no longer be a congressman."

Added former Indiana Republican Party Chairman Murray Clark. "I think Dan over the last several cycles has lost his base." ❖

## Lugar-Mourdock, from page 1

rity psyche far more than the 2001 assaults at the World Trade Center and the Pentagon.

The rap on Lugar that prompted a Tea Party-induced rebellion at what many believed would be his valedictory political run into the defining realm of statesmanship was that his globe-trotting had eclipsed his domestic political operations back home. Many Republicans in "outer Indiana" bristle that he hasn't been to a local Lincoln Day Dinner in years. "There's an anti-Indianapolis attitude out there to begin with," said Kevin Shaw Kellems, a former Lugar aide, who runs a consulting business in Jefferson County and Washington. That Mourdock spent much time in places like Corydon, Warsaw, Monticello and other Tea Party redoubts during his 2010 reelection campaign certainly pumped up his senatorial aspirations.

Mourdock told The Hill late last week, "People in Indiana want to see fiscal controls, they want to see someone who's with them regularly back there, not just someone sitting in Washington, D.C. thinking about the lofty issues of foreign affairs. People in Indiana care less about democracy in the Middle East than they care about Hoosier jobs moving to China."

Mourdock's problem today is that at a time when he should stand and deliver, his second quarter FEC report turned out to be a political nuke.

Heading into the June 30 FEC deadline, the conventional wisdom was that he needed to report somewhere between \$500,000 and \$1 million in order to get into the money game and attract national support. The campaign reported \$300,000 with no details. But what happened to the Mourdock campaign in June is as potentially devastating as Jill

Long Thompson's extremely low profile after she won the Democratic gubernatorial nomination in 2008.

Mourdock's June swoon went like this:

**June 8:** In May Mourdock had announced that 10 of the 18 Indiana Republican Central Committee members had endorsed his campaign. The Lugar campaign had been handed a gift; for within 30 days after Gov. Daniels signed into law the new Congressional maps, the Congressional Districts had to reorganize. And while numerous sources said that the Lugar-Mourdock primary battle was not the crucial element, the Mourdock campaign emerged with black eyes. Richard Bramer, his chief-of-staff, lost a race for vice chair in Mourdock's home 8th CD. His campaign grassroots coordinator Diane Hubbard lost her bid to be chair in the 9th CD. In all, seven of the 10 Central Committee members who endorsed Mourdock were no longer in those positions on June 15. Randy Gentry, who defeated Bramer, told HPI, "We didn't believe it should be our role to tell people who to vote for," said Gentry. "Our role is to encourage support for the nominees. It's not our job to choose between the primary candidates. We're just not going to pick and choose."

**June 11:** On the same day that Mike Pence

kicked off his gubernatorial campaign in Columbus, Mourdock had scheduled a Tea Party rally in Kokomo. Republican sources told HPI that the Pence campaign was miffed about the competing events at a time it wanted to convene the GOP universe in Columbus. Pence, who had joined the Congressional Tea Party Caucus, had set the June date when he announced he would seek the gubernatorial nomination in early May. Pence drew a crowd of several thousand at his event



Sen. Lugar (center) with Sam Nunn at the Moldovan-Ukraine border in August 2007. Nunn-Lugar funds have helped in the arrest of uranium smugglers. (HPI Photo by Brian A. Howey)



at the Commons, while initial reports said that Mourdock drew about 300 in Kokomo. But video from a blogger at rebelpundit.com proved to be not a fly in the ointment, but a tarantula. The crowds in the video seemed sparse and then Mourdock campaign manager Jim Holden (pictured at right) got into an altercation with the blogger - putting his hand over the camera while telling the "tracker" to "get out of here." It became a not-ready-for-primetime moment that went viral on YouTube. It raised questions about Holden's political role at a time when he was still on the Treasurer's office payroll. It prompted negative assessments of campaign scheduling, operations and temperament.



tax form? Yes, to that I own up."  
Any reputable mortgage broker will advise clients not to file a homestead exemption on a second property. Sources tell HPI that there are more developments coming on this story.

**June 23:** WTHR-TV broke the story that Mourdock had two homestead exemptions for properties in Evansville and Indianapolis. "I remember filing out one of the forms to indeed cancel the homestead property tax credit," Mourdock told WTHR. "That's why I thought this problem had been solved at the time. It wasn't until June of this year that I found out that form had been lost down there so I filled out another form to cancel the homestead credit and made all of the arrangements to pay all the back taxes in excess of what they normally collect in this situation," he said. Marion County Deputy Auditor Claudia Fuentes wrote this memo on June 3, 2011: "Homestead deduction was not removed from property in error. The deduction was applied for by previous owner. Certified statement verified information." As of Friday Mourdock had yet to pay back taxes for 2008 through 2011. This was an embarrassment for the state treasurer who also heads the Indiana Bond Bank. The Hill reported on Friday: When asked about reports that he had claimed more property tax breaks than is allowed by claiming a homestead exemption on two homes, Mourdock became defensive. "I never filled out the form, I never claimed it. I never claimed that homestead property tax credit. Did I not notice it on the form that was given to me? Yes, but that's because the first form said 'you are eligible for a homestead tax credit,'" Mourdock said. "Did I make a mistake by not looking at every box of the

**June 30:** Lugar announced the endorsements of more than 20 Republican mayors and former mayors. Mourdock responded with an ace in his vest - the endorsement of RedState.com's Erick Erickson. "While Lugar has been in the Senate fighting against conservatives, Mourdock has been in Indiana fighting for conservatives," Erickson said. It appeared to be a counter to the mayors when it could have been used to stoke fundraising two or three weeks out from the critical June 30 FEC deadline. That afternoon, WISH-TV's Jim Shella reported on his blog that the Mourdock campaign said it would raise \$450,000. "This race won't be won by money," says Mourdock. "Primaries are not about money. They are about organization and enthusiasm. Odds are this will be a very low voter turnout primary. That's going to work to our advantage. I'm confident there will be a lot of national money flowing in to help us."

Hours later, Lugar announced his second biggest haul in his career - \$907,000 - on top of the \$974,000 he raised in the first quarter. He reported \$3.5 million cash on hand. By Tuesday July 5 - a day in history Mourdock would note that Gen. Robert E. Lee's defeated army at Gettysburg was trying to ford the flooded Potomac - Mourdock would announce his own retreat. The money totals for the quarter would be around \$300,000, not \$450,000, spokesman Chris Conner told Roll Call. Asked how much cash he had on hand, the Indiana Treasurer said he didn't know. "I'm not sure what the cash on hand is to be honest with you," Mourdock said.

Conner explained to HPI that Shella was told the \$450,000 figure was for both



Mourdock greets supporters at his campaign kickoff at the Artsgarden in Indianapolis on Feb. 22. (HPI Photo by Brian A. Howey)



the first and second quarters. Shella confirmed this on Twitter: "Mourdock actually told me he would raise \$450,000 for the first two quarters."

Asked if the \$300,000 for the second quarter met the campaign money goals, Conner told HPI, "We are pleased with the direction of the campaign is heading." But it was contrasted by U.S. Rep. Joe Donnelly who raised \$440,000 for the quarter, much of it as a 2nd CD candidate.

Lugar campaign manager Emily C. Krueger said in an email to supporters, "As political commentators statewide have indicated, this race will not be won by money alone. We agree: which is why the Lugar campaign has already launched a state-of-the-art effort to identify voters and turnout as many Republicans as possible for the May 2012 primary. Our phone bank opened 50 weeks before the primary, with the goal of identifying and turning out Republican voters statewide. Lugar campaign volunteers have averaged 4,000-5,000 calls in our first several weeks of operation. In the meantime, it has been reported that our opponent anticipates outside money and low turnout in order to win. We do not share his view that out-of-state money should determine how Hoosier Republicans select their nominee. We are proud that 87 percent of our individual donors are from Indiana. Nor do we share his belief that our primary is destined to be a low turnout affair. Even in years when Senator Lugar has not had a primary opponent, the Friends of Dick Lugar has organized for the highest possible GOP primary election turnout. This has always been in the best interest of the Indiana Republican Party and our candidates as we face the Democratic Party in the fall."

Mark Lubbers, a Lugar strategist who girded the senator's allies last winter for the race ahead, was amazed by what Mourdock was saying. "Pressed on his stalled situation, he confesses two elements of his strategy - national money and a low turnout! Really? He says out loud to a reporter that he needs a low turnout? Does he think we are going to permit a low turnout? Does he know what we do? This guy is not ready for the big."

Murdock was quoted saying he was "confident" there would be a flow of national money. But even that brought into question the prohibited coordination with 527 groups that at one point had been assumed to come in on

behalf of Mourdock.

Conner told HPI, "We haven't and won't be coordinating with 527s, which is illegal. What FreedomWorks & Club For Growth do or don't do is up to them."

FreedomWorks, the conservative activist group that helped launch the Tea Party two years ago, told the Wall Street Journal's Washington Wire blog that it hasn't yet decided if it will back a primary challenge against Lugar. "We're not going to climb the hill unless we have a reasonable shot at taking the hill," Adam Brandon, a FreedomWorks spokesman, said. FreedomWorks, which spent about \$15 million on activist organization efforts in last year's elections, the Washington Wire reported, isn't sure that pouring money and resources into the Hoosier State is worth the effort. For the same reasons, the group has no plans to get involved in a primary challenge against Maine Sen. Olympia Snowe, another centrist. The fact that some of Mr. Lugar's Washington opponents are still undecided signals their concerns about Mr. Mourdock's chances of winning the general election.

Brendan Steinhauser, director of campaigns at FreedomWorks, told HPI last week, "We're still looking at it. It's been on the top of our list of Senators we'd like to replace. We're working with people on the ground."

Asked about Mourdock's anemic fundraising, Steinhauser said, "Money matters a little bit, but it's a new game." He pointed to Florida in 2010 when Gov. Charlie Crist had a money lead over Marco Rubio. "Rubio didn't have much money, but we nationalized the race. It can be done. You can beat a million dollar juggernaut. But campaigns will be won on the ground. You don't have to spend \$3 million to talk to a couple hundred thousand

Republican primary voters."

Steinhauser has been to Indiana three times working with the Tea Party wing, Hoosiers for a Conservative Senate. Steinhauser said that about half of the Indiana Tea Party tribes are backing Mourdock. "Another half will weigh in accordingly." The time frame would be "in a couple of months," or before the September Tea Party confab.

"We'd like to see Lugar replaced," Steinhauser said.



**Sen. Lugar meets with volunteers at his Broad Ripple campaign headquarters. (HPI Photo by Brian A. Howey)**



"Can FreedomWorks play a role? I think the answer may be yes." If FreedomWorks decides to back Mourdock, "the first thing you'll see is a retire campaign" aimed at Lugar.

The Club for Growth called for Lugar to retire in April. Club for Growth President Chris Chocola said then while no decisions have been made as to whether the club will officially weigh in on the race for Mourdock, "we do have some concerns about Sen. Lugar and his service. We think it would probably be best if he would retire at this point. We haven't made any decisions at this point, but we are looking at it very closely, and it's one of the races very high on our radar."

Chocola told Erickson on his radio show on June 29 that the Club for Growth got behind Rubio when he was 30 points behind Crist. "We have a history of being on the other side of the establishment," Chocola said. "We have a vetting process and we take our endorsements very seriously. We are like a Good Housekeeping seal of approval." Lugar got a 70 percent rating from the Club for Growth for 2010 (compared to a 97 percent rating for Sen. Hatch and a 72 percent for Tea Party target Sen. Lisa Murkowski), ranking 37th out of 100 senators. It gives Lugar a 63 percent lifetime rating.

In the Club for Growth's Power Rankings, Lugar rates a 21.76 percent, compared to a 25.89 percent rating for Sen. Scott Brown of Massachusetts and 26.88 percent for Majority Leader Mitch McConnell. Sen. Dan Coats is rated at 34.32 percent, or 44th in the Senate. U.S. Rep. Mike Pence is the second highest rated House member at 70.82 percent, just below Arizona U.S. Rep. Jeff Flake at 74.08 percent.

The Club for Growth has already endorsed Flake, Ted Cruz for Texas, and Josh Mandel in Ohio. It's an educated guess but it would not be surprising to see the Club for Growth come in on behalf of Mourdock.

FreedomWorks will try and take out Sen. Hatch and possibly Lugar, and is backing Flake, Cruz and will look to endorse in Republican primaries in Florida, Ohio, Pennsylvania, North Dakota, Montana, Missouri and Nebraska.

Lugar has swung a double-edged sword when it comes to the Tea Party, at times goading them and at

others, seeking a dialogue. In February, he told WANE-TV, "I've been working systematically for 20 years going to Russia trying to help direct a situation in which we're taking warheads off of missiles every day, destroying missiles that were aimed at us; destroying submarines that carried missiles up and down our coast. I've got to say, 'Get real.'" Lugar added: "We want this or that stopped or there is spending, big government - these are all, we would say, sort of large cliché titles, but they are not able to articulate all the specifics."

He and Sen. Orrin Hatch - a FreedomWorks target - showed up for the group's open house in Washington last March. FreedomWorks President Matt Kibbe told CNN that Lugar wanted to come by to meet the folks at FreedomWorks. Lugar had met with Tea Party activists in Indiana late last year.

Since the Mourdock challenge, Lugar has stepped up his opposition to President Obama, assailing him for not getting Congressional approval on military action in Libya, questioning the

long-term U.S. strategic interests in Afghanistan, and calling for a Fair Tax.

There is still nine months before the 2012 primary. At this point, Lugar's political machinery is humming. Mourdock has much retooling to do or he will be destined for political oblivion. ❖

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### **Mourdock loses Wells County endorsements**

BLUFFTON, Ind. - Indiana state treasurer Richard Mourdock is trying to unseat Republican U.S. Sen. Richard Lugar and has touted the endorsement of dozens of county GOP chairmen around the state, including six from north-east Indiana. The Journal Gazette has reported twice this year - including in last week's Political Notebook - that the Wells County Republican chairman was among those who has endorsed Mourdock. But that's not the case, according to the current chairman, Ralph Garcia. In an email, Garcia said he is endorsing neither candidate ahead of the 2012 primary election. In February, Mourdock identified Dorothy Stinson as the Wells County GOP chairwoman - and as one of 68 county chairs who had endorsed him. ❖



**Sen. Lugar is greeted by supporters in Nashville in June. (HPI Photo by Brian A. Howey)**



## Without tax code reform it's budget cuts & tax hikes

By **BRIAN A. HOWEY**

ANGOLA, Ind. - Let's see, I'm going to buy a new Mercedes-Benz. And I think I'll buy a new Ford F-150 4x4. I'll sign up for a premium health care plan with a tiny deductible and an array of prescription drug benefits. The scripts will cost me about \$4 out of pocket. And I'll take a 10 percent pay cut. If I run out of money in the third week of the month, I'll just put it on one of my credit cards.

If I were to really do that, I would end up in a financial hole. Probably bankruptcy.

Of course, I won't do that. I'll live within my means. I'll have long-term mortgage and car payments, but most everything else I'll try to pay as I go. For the credit card debt I do have, I'll gradually pay it down.

Our federal government hasn't been so responsible and now the time for reckoning is here. Treasury Secretary Timothy Geithner has set an Aug. 2 deadline to solve the debt ceiling "crisis." If the debt ceiling on \$14.2 trillion is not extended, the United States of America faces a situation where it won't be able to pay all of its bills. It could default on some of those payments and obligations. Many economists fear that such a scenario could push the U.S. into the feared double-dip recession and shock global financial markets.



How did we get here?

With a budget deficit of \$1.5 trillion, over the past decade we have paid \$1 trillion for wars in Afghanistan, Iraq and now Libya. In past wars, American taxpayers had to ante up. But in this period, we instead got the Bush tax cuts. So the wars went on the national credit cards. Prior to Bush's 2004 reelection where it was determined he needed the votes of senior citizens, Congress passed and the President signed the Medicare Prescription Drug Plan. It was the biggest entitlement expansion since the Great Society.

That wasn't paid for either.

**So it is with much fascination** that we watch Congressional Republicans try and take the tax hikes off the table.

Common sense suggests that the solution to this debt and budget crisis is a combination of budget cuts and tax hikes.

The election of a Republican House in 2010 has set up the dynamic where budget cuts will happen. This past week President Obama went beyond the \$2 trillion in

tax cuts over the next decade and is now seeking a plan that would cleave \$4 trillion and as the Washington Post described, "stabilize borrowing, and defuse the biggest budgetary time bombs that are set to explode as the cost of health care rises and the nation's population ages. It would also put Obama and GOP leaders at odds with major factions of their own parties. While Democrats would be asked to cut social-safety-net programs, Republicans would be asked to raise taxes."

**Republicans began talking** this past week about a short term deal, but Obama was having none of that. "I don't think the American people sent us here to avoid tough problems. That's, in fact, what drives them nuts about Washington, when both parties simply take the path of least resistance. And I don't want to do that here."

"I believe that right now we've got a unique opportunity to do something big - to tackle our deficit in a way that forces our government to live within its means, that puts our economy on a stronger footing for the future, and still allows us to invest in that future," Obama said. "To get there, I believe we need a balanced approach. We need to take on spending in domestic programs, in defense programs, in entitlement programs, and we need to take on spending in the tax code - spending on certain tax breaks and deductions for the wealthiest of Americans. This will require both parties to get out of our comfort zones, and both parties to agree on real compromise."

Obama missed a golden opportunity during his State of the Union Address last January to seek a dramatic tax code reform. U.S. Sen. Dick Lugar has reintroduced the Fair Tax concept and it's unfortunate that the time limits today won't allow for a thorough examination of a long-term solution.

What would a Fair Tax do?

**According to Lugar**, because the income taxes imbedded in the final cost of goods and services are roughly equivalent to the Fair Tax, the prices of goods and services won't change significantly. Low income families will not have an increase in taxes. The bill includes a tax "pre-bate" to insure fairness to American citizens, covering costs of essential purchases. Tax compliance will be higher. Currently a majority of Americans don't pay federal taxes. Illegal immigrants, tax evaders and foreign tourists will pay taxes when they buy goods and use services. Under the Fair Tax, mortgage rates will fall by about 25 percent. Foreign investment and employers will flood to the United States to take advantage of the favorable tax structure. Job creating economic growth will increase substantially. Wage earners will no longer pay regressive withholding taxes for Social Security and Medicare.

Common sense has its limits, of course, roughly coming in that little rectangle known as the District of Columbia. ❖



## The founding compromisers

By **JACK COLWELL**

SOUTH BEND - The Founding Compromisers, more commonly known as the Founding Fathers, are acclaimed now by politicians who also claim ironically that compromise is a dirty word.

"Let's go back to the values of the Founding Fathers," they say.

Yes. Let's.

The Founding Fathers compromised again and again in the Constitutional Convention of 1787 in order to turn a weak alliance of colonies into a strong nation. Now we have politicians who say they won't compromise on a debt-ceiling even if it turns a strong nation into economic weakness in default.



Some of the politicians who spout compromise-is-a-dirty-word dogma know this is wrong governmentally. But they know also that being accused of "selling out" in

compromise, despite national need of a compromise solution, can bring the wrath of diehard partisans and even defeat in the next primary election.

Some don't know better. They may hail the Founding Fathers. But they don't understand that they were Founding Compromisers. They don't understand the legislative process, any legislative process in which there are divergent views strongly held.

Back in covering my first sessions of the Indiana General Assembly, I learned a lot about how the legislative process really works from the late Eldon F. Lundquist, an Elkhart County Republican who was a wise and effective legislator. Eldy was especially effective as chairman of the Senate Education Committee in the 1970s, bringing constructive agreement amid the usual Hoosier warfare over how, when and where to provide education dollars.

"**God save us from** the amateurs," Eldy would say, not in a Senate speech but often in explaining to me how the process worked or didn't work and forecasting which legislators could be counted on or counted out at crunch time.

The "amateurs" to whom he referred were the newcomers, the freshmen who didn't yet understand the legislative process, including the art of compromise, and also some legislators with seniority who never learned the need to shed partisan blinders.

The "amateurs" were ones who would make a commitment to vote for a bill, giving their word, but then vote the other way, rendering their word worthless, after

a special interest lobbyist, party boss or big contributor objected to some minor provision.

The "amateurs" were ones who never understood that half a loaf really is better than none. If a bill wasn't exactly what they wanted, they wouldn't support it, even though much major legislation begins with half a loaf or even a few slices, with the concept established to enhance whole-loaf chances in the next session.

**Lundquist was skilled** at putting together successful bipartisan compromises in controversial areas where legislation, though needed, was stalled in angry disagreement. He knew the art of compromise.

As did the Founding Compromisers.

Their task was to put together compromises that would not only win approval in the convention but also be ratified by the 13 colonies.

There were compromises over if or when importing slaves could be banned, over tariffs, over powers of the executive, over how this executive would be elected, over establishing legislative and judicial branches and over when or if to add a list of individual rights.

Most significant for approval was what is known as "the Great Compromise."

The Virginia Plan, backed by representatives of the larger colonies, called for representation in Congress to be based on the population of each state in the new government.

The New Jersey Plan, backed by the smaller colonies, called instead for each state to have equal representation, no matter size or population.

The Great Compromise: The Congress would be composed of a House, with representation based on population, and a Senate, with each state having two senators.

**The Founding Fathers** didn't all like each other. By no means. Some hated slavery, while others owned slaves. There were backers of a strong central government and others who wanted it weaker.

Most were experienced in politics and knew this: Compromise is not a dirty word. If they had been "men of principle" who would never compromise, they would not have formed a more perfect union.

The Founding Fathers, aptly described also as the Founding Compromisers, lose no luster because of all their willingness to compromise. Indeed, they established their credentials of greatness and established our nation because of that willingness. ❖

**Colwell has covered Indiana politics over five decades for the South Bend Tribune.**





## Pence reports \$1.6M, Gregg \$717K

By **BRIAN A. HOWEY**

INDIANAPOLIS - The Mike Pence for Indiana campaign announced Friday that it will report raising more than \$1.6 million from more than 1,700 donors when official reports are filed with the Indiana Election Division next week. The campaign filed candidacy papers with the Indiana Secretary of State's office on May 5. The campaign also will



report more than \$1,450,000 in cash on hand. The total raised includes \$269,701 in transfers from the Mike Pence Committee.

"We are grateful for the outpouring of support from across Indiana and believe these numbers show real

enthusiasm for Mike Pence's vision for building an even better Indiana on good jobs, great schools, safe streets and strong families," said Kyle Robertson, campaign manager. "These numbers provide further evidence that we will have the resources we need to win this election."

Democrat John Gregg posted \$717,000, a number that surpasses an initial goal of \$500,000, for a campaign still in exploratory committee mode. Gregg is expected to kick off his campaign officially later this summer.

For comparison, the Mitch Daniels-Joe Kernan 2004 race hit the \$33 million mark, with Daniels raising \$4.7 million in about six months. Kernan entered the race in late 2003 and raised \$2.5 million in about seven weeks.

Fishers businessman Jim Wallace is largely self-funding his campaign (Indianapolis Star). Wallace, a former Hamilton County Council member, said his campaign will report about \$930,000 in cash on hand. But campaign finance reports that candidates must file for any contributions of at least \$10,000 show he has lent his campaign more than \$988,000. "Obviously we face an uphill battle," Wallace said of his chances against the better-funded and better-known Pence. "We want to be personally vested in the outcome."

### **Parker avoids Democrat primaries**

Indiana Democratic Chair Dan Parker asked this question last week: "When was the last time the Indiana Democratic Party had top tier candidates without major primary opponents for governor and U.S. Senate?"

The answer is 1992 when Gov. Evan Bayh was seeking reelection and Secretary of State Joe Hogsett was challenging U.S. Sen. Dan Coats. In 2000 Gov. Frank O'Bannon ran for reelection and David Johnson challenged

Sen. Dick Lugar. It was Johnson's first and only run for office and he was not seen as a top tier candidate.

Gregg and U.S. Rep. Joe Donnelly are poised for the gubernatorial and U.S. Senate nominations; primary opposition would likely be only token.

Parker convened meetings with all the big Democratic names after Bayh opted out of the governor's race. The confabs included Gregg, Sen. Vi Simpson, Donnelly, former congressmen Baron Hill and Brad Ellsworth, U.S. Rep. Andre Carson, 2008 gubernatorial nominee Jim Schellinger, Hammond Mayor Thomas McDermott, Dr. Woody Myers (who had expressed interest in the Senate race), and some of the big county Democratic chairs. The group met monthly before Gregg and Donnelly emerged in late spring.

Parker's goal was to avoid a replay of the 2008 gubernatorial primary where eventual victor Jill Long Thompson and Schellinger waged an intense primary campaign. Thompson was never able to recover financially and lost to Gov. Daniels by 18 percent.

### **2nd CD: Mullen to declare this week**

As HPI reported on June 30, Army veteran and military consultant Brendan Mullen told Indiana Democrats looking to hold on to a pivotal seat in Congress that he will run for the spot. Two Democratic Party officials confirmed to the Associated Press this week that Mullen emailed party activists saying he will seek the northern Indiana post being vacated by Rep. Joe Donnelly. Mullen declined to comment on his intentions or the email announcing his run.

### **6th CD: Hatter joins the field**

John Hatter, a 39-year-old Columbus resident, said he will seek the nomination for the 6th Congressional District. Already running for that overwhelmingly Republican district are former State Rep. Luke Messer, who lost a bid for Congress last year; Don Bates Jr., a Richmond businessman who unsuccessfully sought the GOP nomination for the U.S. Senate, and Travis Hankins, a Columbus developer who also lost a race for the GOP nomination for Congress last year. Hatter is making his first run for political office. He is the director of human resources at Ivy Tech Community College in Columbus and has served on the Columbus city planning commission.

### **9th CD: Welch won't run**

State Rep. Peggy Welch will not seek the 9th CD Democratic nomination and will seek reelection in the new HD60 (Howey Politics Indiana). "After much prayer, consideration, and consultation with family, friends, and advisers, I have decided to not run for the 9th Congressional District," Welch said. "I have no doubt that the district is winnable for the right Democrat candidate. I am confident that my legislative record and work ethic fit the profile needed



for a strong challenge. In the end, however, personal considerations took priority over a desire to extend my public service to Washington, D.C. I have been humbled by the numerous and varied citizens who have encouraged me and have offered support, and I am so grateful."

Welch said she called U.S. Rep. Todd Young to tell him of her decision. "I talked with Todd Young, to tell him personally that I was not running," Welch said. "I told him that I did not expect that he was sitting around biting his nails regarding my decision, but out of respect for him, I wanted to personally tell him of my decision." Sam Locke is the other Democrat who is exploring a run.

Welch is expecting an HD60 race with State Rep. Ralph Foley, R-Martinsville. While the new 60th is about 41 percent Democrat, Welch told HPI that her district in 1998 was of similar makeup when she won that year after Jeff Ellington upset State Rep. Jerry Bales in the GOP primary.

## **Indianapolis mayoral**

Marion County Democratic Chairman Ed Treacy is playing the role of bomb thrower when it comes to Indianapolis Mayor Greg Ballard. He called the mayor a "coward" early last week following several shootings in downtown during Fourth of July activities. "It is inexcusable that the mayor of Indianapolis hides behind his political handlers when asked about crime," Treacy said. "Instead of standing and fighting for his own reputation, Greg Ballard this weekend took the opportunity to cower behind Republican Chairman Kyle Walker in a story published in Monday's Indianapolis Star. In a front page article, all the Mayor could muster was a nine word statement saying, 'I think we've shown we've done a good job.' In light of multiple brutal attacks on the Monon, a body discovered in Fall Creek, and multiple downtown shootings..., this statement is both false and cowardly. Mayor Ballard campaigned as someone who 'means what he says.'" Late in the week Treacy blasted Ballard and Public Safety Director Frank Straub. "Mayor Ballard moved officers to the Monon Trail to offset brutal attacks, the criminals noticed, and they began to hit other areas," he said. "Now, from where will Mayor Ballard pull officers to increase coverage on the Circle?"

## **Fort Wayne mayoral**

Indiana Republicans will host a reception for Republican Fort Wayne mayoral nominee Paula Hughes from 5:30 to 7 p.m. Aug. 9 at GOP Headquarters in Indianapolis. The event will be hosted by Senate President Pro Tempore David Long and Republican Chairman Eric Holcomb.

## **Valparaiso mayoral**

For the second election in a row, there won't be a Democratic candidate for mayor on the city's November ballot (NWI Times). Tuesday was the deadline for the party

to file a substitute for Scott Smith, who withdrew because he no longer lives in the city. Porter County Democratic Party Chairman Jeff Chidester said the party will concentrate on the council candidates this time around to try to break the Republican monopoly on the city's elected offices. "We looked high and low, but the people who showed any interest (in running for mayor), their heart just wasn't in it," Chidester said.

## **State Senate: Sullivan vs. Waltz**

Democratic Senate sources saying confirming that State Rep. Mary Ann Sullivan is preparing a challenge to State Sen. Brent Waltz in SD36.

The sources also tell HPI that former State Rep. John Barnes is considering a challenge to State Sen. Pat Miller.

Senate Minority Leader Vi Simpson is recruiting candidates to try and wrest back four Senate seats from the GOP. If successful, it would end the super majority Republicans have.

## **Region House incumbents won't move**

None of the four Northwest Indiana Democratic state representatives paired with a colleague in a new legislative district is planning to move to avoid a primary election race (Carden, NWI Times). During this year's once-a-decade legislative redistricting, the Republican-controlled General Assembly drew state Rep. Chet Dobis, D-Merrillville, and state Rep. Vernon Smith, D-Gary, together in a new 14th District, consisting mostly of Merrillville and the south portion of Gary. The Legislature also merged the districts of state Rep. Mara Candelaria Reardon, D-Munster, and state Rep. Dan Stevenson, D-Highland, into a new 12th District that includes portions of Munster, Highland, Dyer and Griffith.

Statehouse observers have speculated that at least one of those representatives will move to one of the two open House seats in Lake County before the Nov. 6 deadline to qualify as a resident of the new district. But all four lawmakers told The Times on Wednesday they're staying put. "Seventy-five percent of the district is my current district. Vernon Smith can't win that district, and Vernon knows it," Dobis said. "It's my district to lose." But Smith said he isn't about to cede his House seat to Dobis. "I plan to campaign. I don't plan to lay down," Smith said. "I'm in it to win it."

Stevenson said he's thought about moving a few miles south into the incumbent-free 15th District, which contains nearly all of St. John Township and portions of Schererville, but insists he's only just thought about it. "I won't rule it out, but I won't say that's something I'm going to do yet," Stevenson said. Candelaria Reardon said she's definitely not moving from her Munster home. ❖



## Mullen to kick off 2nd CD campaign

By JACK COLWELL

SOUTH BEND - Brendan Mullen, who kicked field goals for Army, will try to hit another goal, as a candidate for Congress in Indiana's 2nd District in a likely race with Republican Jackie Walorski.

With redistricting giving the 2nd much more Republican flavor, it'll be a tough goal for Mullen as the Democratic nominee, kind of like a kick against the wind from 50 yards away. Not impossible. But awfully difficult.



Mullen, 33-year-old West Point graduate and South Bend native, served with the Army in places other than on the football field, with five years of active duty, including time in Iraq and South Korea.

He has made no official announcement of candidacy yet, but Mullen has decided to run.

And Mark Meissner, former staffer for Evan Bayh and Tim Roemer and past congressional nomination candidate, has decided not to run.

That leaves Mullen as the clear favorite for the Democratic nomination, although he will face a challenge from Andrew Straw, a Goshen attorney who is not regarded by party leaders as a strong contender.

Mullen is expected to file a campaign committee with the Federal Election Commission this week, enabling him to raise funds for a likely 2012 race with Walorski, who never stopped running after her narrow defeat by Congressman Joe Donnelly last November. Donnelly now is running statewide for the U.S. Senate rather than for re-election in the House district.

Walorski could face a challenge in the Republican primary, but she also would be a favorite for her party's nomination. She already has funds in campaign coffers.

**Field goal from 50 yards out?** Indiana Democratic Chairman Dan Parker contends it won't be that difficult, despite Republican redistricting that split LaPorte County, Donnelly's best county, taking away strongly Democratic Michigan City, and adding heavily Republican parts of Kosciusko and Elkhart counties.

Using a basketball rather than football analogy, Parker says: "This is no slam dunk" for Walorski.

"Brendan's candidacy will broaden the Democratic coalition," Parker contends, and will provide "a great contrast" with Walorski.

The key contrast, he says, is that Mullen is "young and not a politician," while Walorski, long involved in politics, is "a very divisive, ideological figure."

Being an Army vet and who now runs his own small business providing services for veterans, including returning National Guard and Reserve personnel in Indiana, could be appealing for voters. But not being a politician cuts two ways. Will Mullen have the skill to put together a winning political organization and campaign? Can he raise the funds needed for a campaign in the 10-county district, where money for extensive and expensive TV will be vital?

**Mullen no doubt learned** something of local politics from his father, Pete Mullen, long involved in Democratic campaigns and now the St. Joseph County auditor.

He also has some name recognition of his own in South Bend as a former football captain and soccer star at Adams High School.

Now, after establishing his own private firm in Washington, Mullen moves back to his hometown area. He says he can run his business just as well from Indiana and that he and his wife, Suzanne, had planned to move back to Indiana anyway with their 9-month-old daughter, congressional race or not.

It will be more difficult professionally for his wife, who will leave as chief counsel for the House Transportation and Infrastructure Committee. That, by the way, is an appointment by the Republican majority.

Charlie Cook, guru of congressional race prognostication, lists the 2nd as "likely Republican," with a plus 7 Republican partisan voting index.

Roll Call, a Washington publication, lists the district as "likely to flip" to Republican.

**The Democratic Congressional** Campaign Committee calculates the district's Democratic strength as just over 46 percent, further indication that the race, though not impossible, will be tough for a Democrat.

Mullen has looked at the numbers and has decided to run. Or, back to that football analogy, he will try for a goal, maybe from 50 yards out. Maybe from a lot closer by Election Day, with a good campaign and more of a Democratic year than 2010. Or maybe from an impossible 70 yards, if his campaign doesn't attract widespread support and he is kicking into another Republican hurricane. ❖

**Colwell has covered Indiana politics for the South Bend Tribune for more than five decades.**



## We need microscopes, not telescopes

By **DAVE KITCHELL**

LOGANSPORT - While 2011 may go down as the year in which Hoosiers will recall a Democratic walkout as a waste of time in the Indiana House, there is the larger picture to consider.

Part of that picture was headlined on the front page of the Indianapolis Star last week. Two laws passed by the Indiana General Assembly this session actually were tripped up in the courts. Indiana's attempt to tighten immigration restrictions went by the wayside, as did its attempt to restrict state funding to Planned Parenthood, even though the funding was not directly used to fund abortions.



Let's couple these headlines with two other stories: State Treasurer Richard Mourdouck's failed attempt to litigate the Chrysler bailout before the U.S. Supreme Court and Indiana's ongoing efforts to promote a photo identification for all voters.

In the grand civics lesson that is our democracy, it's true that state legislatures are the learning laboratories of trial and error for inventing federal laws that move our country forward, regardless of the times. But at some point, we have to ask ourselves as Hoosiers if we expect part-time legislators to pass laws that:

- A. Full-time members of Congress** have vetted and signed into law after much greater scrutiny;
- B. Make futile attempts to challenge** federal laws by passing state laws that say in effect we don't agree with federal law; and
- C. Pretend that somehow in Indiana,** we know more about how federal laws can and should be applied than the federal government does.

In all the cases just listed, the answer to C. is no with the exception of voter identification. Even at that, the state's oversight has failed to pass a legislation that deals with a Secretary of State's removal from office when the officeholder may have committed a felony or may not be qualified to be on the ballot. The recent controversy involving Secretary of State Charlie White's eligibility just to run or to stay in office has been overshadowed by his personal life, which has told us under oath that he considered his former wife's residence his voting address, even though he stayed with his mother and his fiancée. How long did he

stay at any of those places or others? We have no way of knowing.

Unfortunately Indiana voters have no way of knowing if White is upholding voter registration laws in this state or if he is too busy with his own legal problems -- including an impending trial on felony charges that he served on the Fishers Town Council without even living in the district he represents -- that he is unable to carry out his duties.

Indiana has no recall provision in state government, unlike other states. Charlie White may be the poster boy for future legislation called "The Charlie White Law". Even if White is found innocent of felony charges, he still may be serving in office after being convicted of more than a handful of misdemeanor counts. Will he continue to serve if he's jailed or on probation? Is that what Hoosiers want because state law only provides for him to be disqualified from serving if he's a felon?

Probably not.

**And the White case, along** with the other examples, are reasons why future state legislators from both parties should refrain from making -- pun intended -- a federal case out of state laws that are meaningless weeks after they are passed. It's almost as if legislators are pulling a one-armed bandit in a law-making casino hoping their attempts to alter federal law will produce a jackpot. What their efforts produced this year were two lemons, and not the kind a slot machine player hits with a jackpot.

Indiana has enough problems of its own without trying to reshape federal law in the Indiana State House. When cities such as Muncie are going without entire fire stations full of firefighters, it's time to look at the city that inspired a famous novel about "Main Street" America was penned and ask, "Where did our funding formula go wrong?" When small, rural school corporations that are at or above achievement levels on standardized school tests are performing well, Hoosier legislators should be asking themselves why teachers are being laid off because of funding cuts not only this year, but next.

When an investigation into the Indiana Economic Development Corporation questions the real money being spent and the real success a closed-end government agency is experiencing, it's time for Hoosier legislators to pass laws requiring more transparency. When funding for degree programs for prison inmates is cut off and state government is essentially denying inmates a chance to reform themselves and support their families -- many of whom are on state and federal assistance -- it's time for Hoosier lawmakers to demand more. When state hospital patients are released into environments in which they either can't fend for themselves or in which they commit crimes after years of institutionalization, it's time for Hoosier lawmakers to form a summer study committee to determine if the Family and Social Services Administration has gone too far



in reducing its cost by opening the doors of mental health facilities and telling the patients to leave.

These are among the issues the Indiana General Assembly could have addressed in the 2011 session -- maybe even the ones they should have addressed. But they are not the issues the Indiana General Assembly has addressed well or addressed at all.

Whether 150 Hoosiers paid to look out for our interests and our fiscal integrity would have done that had they not been preoccupied with federal issues they thought

were more important in the last session, we'll never know. What we do know is that Indiana is slow to adapt to change and is usually one of the last states to follow national trends, not the first to start new ones.

When they go to Indianapolis next year, it would behoove future legislators from both parties to pack their microscopes that allow them to see the state's problems close up instead of their telescopes that allow them to see the same stars you can see from the Potomac. ❖

## Economic multipliers are what you make them

By **MORTON J. MARCUS**

INDIANAPOLIS - The Amateur Numeric Society for Economic Evaluation (ANSEE) met recently at a Hoosier casino. Arthur Average sipped his non-carbonated, non-caffeinated, non-caloric drink before suggesting, "The multiplier is in the range of 7 to 9."

Bob Betteroff choked at Art's words. Courtney Conmann slapped Bob's back and said, "That may be high."

"High?" said Dan Dare. "Preposterous is more like it."

"It's hard to know," Evan Evasive declared. "Much study has been done on the question and conclusive answers appear to be elusive."

"On the contrary," Frances Franklie said, "no one really studies the employment and income effects of an investment in a local economy. Virtually every economic impact report uses some formula or multiplier picked up from somewhere else."

The conversation stopped. The cocktail hour was shrouded in gloom by this remark. Then Gerard Guile, refreshed by his gin and tonic, relit the candle of cheer.

"Everyone knows," Gerard gave voice to what everyone knew. "Everyone," he emphasized, "understands that an infusion of money income into a community recirculates through the local economy many times. Similarly, add jobs to a community and more jobs will be created to serve the first one. These are established facts."

**Harry Hunkerdown** snorted. "Those are not facts. The actual effects are not apparent in most cases and will vary considerably with the community and the economic conditions present at the time the stimulus is applied."

"Correct," Isadora Isore whispered from the edge of the crowd. "When there are under-utilized resources, new money may have much less impact than when there is full employment. New money will not necessarily mean new jobs at the beauty parlor or the barber shop if there are already empty chairs with people prepared to clip the customers."

Isadora slipped into giggling at her witticism. June Juggernaut, however, took up the argument. "Direct spending," she said, "on people or equipment, buildings or land may have little effect on the locality where it happens. The people may be commuters from elsewhere, spending little in town. The equipment may be built overseas; the building may be standing already, need no modification, and sit on land owned by a foreigner in Pennsylvania."

**All about the room stronger** drinks were being ordered. "But no one questions the existence of multiplier effects for income and employment," Kevin Klostomy asserted and asked simultaneously.

Lucille Lucid was first to respond. "Oh, no. Any concept that is theoretically valid deserves quantification. It's just a question of identifying the number. That's why ANSEE is such an important organization. We authenticate the numbers used by our members. A vigorous, rigorous mathematical model can churn out a number for any nation, state, county, city, or township. In truth, the town's future may be changed by a well-chosen number.

"My favorite is 1.83," Lucille continued. "It is a modest number with a nice roundness to it that looks good in almost any font. No pseudo-scientific confidence intervals, just a good solid number."

"I agree," I said. "Confidence must come from s/he who supplies the number. If you give someone a number s/he seems to want, you must seem to believe in it."

"Then," Ned Nostrum said, "we are agreed. A good number is the number we agree is good. Let's order another round for the room."

He got no argument on that one. ❖

**Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business.**





**Doug Ross, NWI Times:** When Indiana Secretary of State Charlie White was running for office last year, I interviewed him by phone. But his campaign set it up on the condition that I not ask White any questions about the allegations of voting improprieties the Democrats had leveled against him. It was a bit like a doctor examining a patient only on the condition that the knife sticking out of his chest be ignored. The Indiana Recount Commission's 3-0 ruling Tuesday didn't boot White from office, but it didn't take out the knife, either. The commission's ruling said, basically, that it couldn't prove White intended to commit fraud by voting where he did. The Indiana Democratic Party accused White of voter fraud in the May 2010 Republican primary by using his ex-wife's address, despite having bought a condo with his fiancée. The Recount Commission's ruling, after hearing evidence in the case, details a convoluted, tortured personal life in which White was caught between a divorce and a new marriage and residency was so confusing that White said he was basically living out of his car for some time. To its credit, the commission gathered extensive evidence, although not perhaps as much as Commissioner Bernard Pylitt wanted. Here's an example: "Receipts for the wedding reception at The Columbia Club were sent to the Overview condo because Mr. White believed it was inappropriate to send reception receipts to his ex-wife's house at Broad Leaf," said the commission's recitation of the facts of the case, included in its ruling. Commission Chairman Thomas Wheeler, a fellow Republican, scolded White. "As a candidate for secretary of state, it behooves you at that time to understand those election laws and not tread on the edge," Wheeler said. If the commission had ruled against White, the No. 2 vote-getter in the three-way race last November — Democrat Vop Osili — would automatically replace White. If White resigns — as he should — or if he is convicted after next month's trial on felony charges related to his voting, Gov. Mitch Daniels, a fellow Republican, would name White's successor. So what the commission really decided was whether the secretary of state's office should be under Republican or Democratic control. The trial will decide his fate. Until then, he's still the state's top election official, charged with voter fraud. It's still as if White has that knife in his chest that we both knew was there but agreed not to talk about. ❖

**Rich James, Post-Tribune:** I knew it. I just knew it. Even though the law changed, I knew they were going to get me. Maybe it's because I worked hard to get rid of the most ludicrous law ever enacted by the state of Indiana. Yeah, I'm talking about the law that said anyone buying carry-out liquor had to show an ID or there wouldn't be a sale. Didn't matter if you were 21 or 91. While I found the law to be an infringement on my privacy, it got even worse.

The law said the clerk had to check my ID to make sure I was 21. But then at one store, the clerk took the ID out of my hand and started punching stuff into the computer. I told them they couldn't do that. They said they didn't care. I said I had read the law. They said there was more than one law. I gave in. I needed the beer. So, I've spent a good bit of time trying to get rid of that ridiculous law. Been talking to my representatives. Democracy in action, if you will. In the end, I got half a loaf. But, I got the good half. The new law, which took effect July 1, says that clerks don't have to check the IDs of those who appear to be at least 40 years old. Although I have been denying it for 20 some years, I guess I meet that description. Yeah, do I. I'll never forget the day long ago that one of my colleagues told me I was too old to be a yuppie. Kick a guy when he's down, why don't you? So, I was flying high last Saturday when I was about to buy a bottle of booze in one of those combination grocery and drug stores. "I need to see your ID," the drug store clerk said. "No need," I said, thinking she didn't know about the change in the law. "The law changed yesterday. You don't have to check if someone appears to be over 40." "Corporate said we aren't changing, that we will still check everyone's ID," the clerk said. ❖



**Dan Carpenter, Indianapolis Star:** You sometimes wonder how the courts could make ends meet without the Indiana General Assembly. Voter IDs. Abortion. Welfare. Immigration. Now school vouchers. They'd be laying off clerks and closing on Fridays if our legislature were not one big lawsuit waiting to happen. Any number of lawyers would be out there hitting us up for quarters. Federal courts have been the usual arena for these fights over the conservative agenda; but the state constitution is the basis for the latest challenge, as it has been for recent previous actions over school funding. The history is not encouraging for the traditional public schools. The Indiana State Teachers Association contends that the Indiana Constitution's guarantee of equal, free and universal education; and its prohibition against payment from the public treasury to religious entities, are violated by the new law providing tax dollars for tuition to private, including religious, schools. The state and its supporters counter that families are simply being given a range of choices, with government being neutral as to where they spend their cut of the budget. That's the position the U.S. Supreme Court took in a 2002 decision that upheld religious school vouchers. State courts have been less friendly, however; and opponents of the Indiana law believe they have a double-barreled weapon. Private schools don't accept everyone who shows up, they say; so how do vouchers satisfy the constitution's demand for "uniform" public schools "equally open to all"? ❖



## Daniels revives FSSA from error

INDIANAPOLIS - Gov. Mitch Daniels has revived Indiana's human services agency after a law that took effect this month accidentally eliminated it. The Journal Gazette of Fort Wayne reports that Daniels signed an executive order late Thursday to maintain the Family and Social Services Administration.

The agency is the state's largest and manages Medicaid and other major programs for Indiana's poor, elderly and disabled. Daniels spokeswoman Jane Jankowski says an apparent clerical drafting error in the preparation of the law resulted in the agency being repealed as of June 30. Senate staffers brought the error to Daniels' attention Thursday and he quickly signed an executive order continuing the agency and its duties. The executive order will hold until legislators can fix the mistake or the governor can issue an annual order.



## Sentencing reforms will be broken up

INDIANAPOLIS — A push to overhaul the way Indiana punishes those who commit crimes large and small will once again dominate many state lawmakers' time this summer (Bradner, Evansville Courier & Press). Since Gov. Mitch Daniels has named sentencing reform among his top priorities for his final year in office, it's likely to be a hot topic. And with county prosecutors still balking, it's likely to be a controversial one, too. A year after the first stab at sentencing changes failed, two out-of-session

legislative study panels are going to try again. State Sen. Richard Bray, a Martinsville Republican, chairs the Criminal Code Evaluation Commission. His colleague, Republican Sen. Brent Steele of Bedford, is chairing the Criminal Law and Sentencing Policy Study Committee. Combined, the two are tasked with once again taking an in-depth look at how Indiana sentences prisoners and proposing legislation that has a better chance of passing than the omnibus sentencing overhaul Daniels and others championed last year. They'll do so, Bray said, by splitting the issues apart and putting them in separate bills to be introduced in the General Assembly's 10-week 2012 legislative session. That's a new approach, and one Bray said he hopes will give at least some pieces better chances of winning passage. "Last time we put it all in one boat and it sank," he said.

## Obama seeking 'grand bargain'

WASHINGTON - With pressure continuing to build but no breakthroughs in sight, budget bargaining between President Barack Obama and top lawmakers resumes Monday at the White House, with both sides hoping to slash the deficit as the price for permitting the government to borrow more than \$2 trillion to pay its bills. In a rare Sunday meeting in the White House Cabinet Room, Obama continued to push for a "grand bargain" in the range of \$4 trillion worth of deficit cuts over the coming decade, but momentum is clearly on the side of a smaller measure of perhaps half that size. Obama continues to press for revenue increases as part of any agreement but Republicans remain stoutly opposed — despite some private hints to the contrary last week by House Speaker John Boehner, R-Ohio.

Obama holds a news conference Monday morning. The third White House meeting since Thursday is slated for the afternoon.

## Boehner eclipsed in debt talks

WASHINGTON - Speaker John Boehner's decision not to "go big" on a debt-limit deal is the starkest demonstration yet of the limits of the Ohio Republican's power (Politico). The internal GOP backlash against his efforts to secure a package of \$4 trillion in spending cuts and revenue-raisers revealed that Boehner sometimes is little more than the first among equals — capable of synthesizing Republican sentiments but unwilling to drive them. Tax hikes, by any name, are a nonstarter for a party that forged its brand on the mantra of lower taxes and less government, and Boehner's willingness to talk rates with President Barack Obama — particularly in the context of House Majority Leader Eric Cantor's (R-Va.) refusal to do so — raised eyebrows within his conference. The uproar among Republicans, on and off Capitol Hill, forced Boehner to back away from the "grand bargain," setting up a testy White House meeting where little was accomplished Sunday night. "It's crazy to think the speaker was considering a trillion [dollars] in tax increases. After all, we're the anti-tax party," said one veteran Republican lawmaker close to leadership. "Cantor brought him, the economy and our party back from the abyss. Cantor is strengthened, clearly. And it's another example of the speaker almost slipping beyond the will of the GOP conference."

## Geithner sees hard times ahead

WASHINGTON - Treasury



Secretary Timothy Geithner says many Americans will face hard times for a long time to come. He says President Barack Obama rescued the United States from a second Great Depression and will keep working to strengthen the economy. But Geithner says will be some time before many people feel like the country is recovering. Geithner tells NBC's "Meet the Press" that it's a very tough economy. He says that for a lot of people "it's going to feel very hard, harder than anything they've experienced in their lifetime now, for a long time to come."

## **Economists nervous about debt ceiling**

WASHINGTON - Economists concerned about the political showdown over the nation's financial straits are predicting dire consequences, ranging from an increase in unemployment to the potential collapse of the housing market, if Congress fails to raise the nation's debt ceiling (Straub, Evansville Courier & Press). "The cost of the recent run-up in gas prices is peanuts compared to what a failure to raise the debt limit will inflict on American families," said Christian Weller, an associate professor in the Department of Public Policy and Public Affairs at the University of Massachusetts-Boston. That \$14.294 trillion limit was reached at the end of May, and Treasury Secretary Timothy Geithner has been scrambling to meet the nation's bills. But those fiscal measures end Aug. 3, raising the specter of default unless lawmakers act. In a letter to congressional leaders dated June 29, 235 economists, including six Nobel Laureates, urged lawmakers to immediately raise the federal debt ceiling to avoid a "negative impact on economic growth at a time when the economy looks a bit shaky." Under a worst-case scenario, according to the economists, Congress' failure to act

"could push the United States back into recession." "Economic growth has been too weak to generate sufficient new job creation," the letter said. "Reaching the limit on total outstanding debt could force a dramatic and sudden cut in federal spending that would destroy jobs and threaten the recovery."

## **Bumper crop of lawsuits**

INDIANAPOLIS - Northwest Indiana legislators aren't surprised the partisan policy divide that led to the longest legislative walkout in state history has resulted in court challenges to three of the most significant laws enacted this year, with more likely to come (Carden, NWI Times). In the past two weeks, federal courts have put on hold portions of new laws stripping funding for Planned Parenthood and regulating illegal immigration while their constitutionality is reviewed. Separately, a Marion County court has been asked to determine if a school voucher program providing public funds for students to attend private schools runs afoul of the Indiana Constitution's ban on state support of religious institutions. State Rep. Mara Candelaria Reardon, D-Munster, said challenges to the new laws were inevitable, because the Republican-controlled General Assembly rushed to impose its will on Hoosiers. "They couldn't answer questions specifically about the ramifications their legislation would have, so I'm not surprised at all," she said. "When we had debates on the floor and in committee, these things were completely glossed over." Candelaria Reardon expects the court rulings will give Republicans a road map on how to tweak the laws next year to pass constitutional muster. But Indiana will waste thousands of dollars in the meantime defending poorly crafted laws, she said. That's

not so, said Bryan Corbin, spokesman for Republican Attorney General Greg Zoeller. According to Corbin, the same lawyers on salary in the attorney general's office that already defend and prosecute about 2,000 other civil cases a year will defend the new laws on behalf of the state. State Rep. Vernon Smith, D-Gary, believes more lawsuits are likely to come, including a challenge to the new legislative district boundaries and to the new school funding formula, which reduced state support for many Northwest Indiana schools. The Community Pharmacies of Indiana already have filed a fourth lawsuit, challenging a new law that reduced their Medicaid dispensing fee to \$3 per prescription, from \$4.90. They say the reduced fee may lead pharmacies to stop filling Medicaid prescriptions.

## **Gov. Quinn faces house of cards**

CHICAGO - Like a house of cards, the massive expansion proposed for Illinois' gambling industry was built piece by piece, slot machine by slot machine and vote by vote before the measure won its unprecedented approval in the legislature this spring (Associated Press). That is the summer's quandary for Illinois Gov. Pat Quinn. The governor initially trash talked the sheer size of the expansion. But he faces some severe fallout if he tries to trim it down, including the unhappiness of Chicago Mayor Rahm Emanuel who's counting on a Chicago casino to help alleviate the city's financial crunch. Pulling out any of the bill's many pieces, including any of five new casinos, risks the loss of backing from legislators whose support was carefully cultivated, one by one, possibly dooming the proposal if Quinn sends it back to Springfield shrunken or otherwise amended. That could cost the state \$1.6 billion.