



Napoleonic Bauer is gone ... *for now*

Third coup attempt ousts Bauer, but 9 insurgents won't return and Nov. 7 is no sure thing

By **BRIAN A. HOWEY**

INDIANAPOLIS – The coup that deposed House Minority Leader B. Patrick Bauer is, in modern Indiana General Assembly history, an isolated event and one that had almost always been unsuccessful.

State Sen. Vi Simpson was able to engineer a coup against Senate Minority Leader Richard Young a couple of years ago, but that happened in almost matter-of-fact fashion. Young's heart just didn't seem to be into it after his unsuccessful 2008 gubernatorial run. There was none of the theatrics that we saw last week from Bauer. And the Senate minority caucus is tiny and without much power, so the move was mostly inconsequential.



Interim House Minority Leader Linda Lawson with Reps. Dvorak, Charlie Brown, Scott Pelath, Matt Pierce and Terri Austin in Lafayette after the coup.

With "interim" House Minority Leader Linda Lawson, Hoosiers now have seen three of the four legislative caucuses with a female leader. Only the House Republicans have yet to shatter that ceiling. Currently Rep. Kathy Kream

Continued on page 3

Pat down. Now what?

By **RUSS STILWELL**

"We're off to see the wizard, the Wonderful Wizard of Oz; We hear he is a whiz of a wiz, if ever a wiz there was; If ever, oh ever a wiz there was, the Wizard of Oz is one because; Because, because, because, because, because, because, because of the wonderful things he does We're off to see the wizard, the Wonderful Wizard of Oz"

BOONVILLE – I suggest that even the least interested make an attempt to find out what the Wizard of Oz has



"My own comments on the night of the election were that I asked Hoosiers to support Treasurer Mourdock. I indicated I would be very pleased to have the opportunity to introduce him"

- U.S. Sen. Dick Lugar after introducing Richard Mourdock to Senate Republicans



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.

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to do with politics. You might also learn about the analogy it might be used for when looking at the players and antics of the Indiana House Democrats over the past couple of years, and particularly the last two weeks. The symbolism of the characters is just too obvious to go unnoticed.

That is, if you read the book and not watch the movie.

House Democrats have gone off to see the Wizard of Oz and have returned with new leadership, a different political direction, more involvement from their ranks and a brief respite from everyone poking sticks into their ranks. The new Democrat leader is reaching out to donors, staff and methodically easing into the most difficult job in state government – leader of the House minority party after having been the majority party for much of the past two decades.

The good witch (remember Glinda?) is polishing a new pair of slippers for Dorothy and her outnumbered House Democrats. In a short period of time we will find out if the new slippers fit and if they find their new power. I think they just might.

What now? It's all hands on deck, but first a word about the new leader. With Linda Lawson, you have someone whom most of the caucus respects. Respect is earned and Leader Lawson earned hers the old fashioned way, with hard work, open-mindedness, good listening skills and not being afraid to call on others to help with the load. She is a no-nonsense legislator not afraid to stand up to anyone.

She broke the glass ceiling for females in the Hammond police

department as the first female officer and ended her career with a captain logo on her uniform. When the caucus looked for an "interim" leader, whatever that means, they picked the right person for the right time.

Leader Lawson has broken another glass ceiling as the first female caucus leader in Hoosier legislative politics. I am sure she is up to the task, just as she was when she donned the Hammond Blue many years ago.



As I mentioned last week, time is running out. The Republicans have 60 members and gerrymandered maps. If the caucus returns 40 members it will be a banner year. Any more than that would be exceptional.

They have a new campaign director who has a political track record of winning house races. And their in-house campaign team is experienced, talented and dedicated to winning elections.

State Rep. Craig Fry ran House races when I first ran for office in 1996 and again in 1998. He and his campaign team (Dan Parker was the campaign director back then) focused on winning races where we could compete, where polling indicated we should play, and incumbent protection. We picked up six seats in '96 and three more in '98. We continued that



53-47 margin through the 2002 elections. Not a bad record for anyone!

I am certain that the Craig Fry-style of campaign management will be different from Pat Bauer. Craig is not shy about bringing in others for help, direction and motivation. Actually, he is not really shy about anything, and that can be a good thing. He is a hard driving force who likes to win, whether it is elections or taking care of the folks back home in Mishawaka.

What about former leader Bauer? I was pleased that he said, "I believe that Linda will make a good leader; a great leader." He stated that he wants the focus to shift back to electing Democrats in the fall and he will provide whatever support Lawson accepts.

That's a positive first step in a long staircase of steep steps to walk.

I think that folks inside the Democrat caucus and their friends who want House Democrats to succeed trust what Rep. Scott Pelath stated soon after the caucus: "Politics are very difficult, but we're talking about somebody that we've loved, we've admired, we've supported. It has been a long journey by which we've gotten to this point, but there's a certain point when you've got to recognize that there's no better time than the present to go in a new direction."

Time will tell who will be the leader of the House Democrats following the election. I'm sure that ill feelings still linger on both sides of the in-fighting. If Leader Lawson wants to be the leader, then she is poised to use

her "interim" status to reassure every member that there is room for everyone in the caucus tent.

If she elects to only be an interim leader, and informs caucus members of this intention, then anything could happen. Pat Bauer and his supporters could begin a new campaign to regain the leadership with a very different looking caucus after the election. Remember that a dozen or so incumbents are not seeking election.

Other leaders from the "new team" would most likely emerge. Or a newcomer could emerge as a consensus candidate. Or it could be déjà vu all over again, only with different members.

Whatever happens, it will be fascinating to watch. After all, the players include folks who have soared through other glass ceilings; established themselves as bigger than life in a nearly half-century of legislative and political service; and many others who are extremely bright and talented members of a once dominant caucus.

At the end of the day and at the election finish line, I think those candidates I talked about last week will be well-served. I'm talking about those candidates who are still walking the neighborhoods in 100-plus degree heat. They deserve the best support team possible.

The election should be about them and their success. And now that the in-fighting has receded, I'm confident it will be. ❖

Stilwell is the former House Democratic majority leader.

House Democrats, from page 1

Richardson is the caucus leader, the third ranking GOP House member behind Speaker Bosma and Majority Leader Bill Friend.

There have been other coup d'état attempts in the past, but none was successful, most notably a decade ago when Sens. J. Murray Clark and Luke Kenley took aim at President Pro Tempore Robert D. Garton and missed.

House Democrat liberals tried one in the late 1980s led by State Reps. Stan Jones and Marilyn Schultz against Minority Leader Michael K. Phillips, but it failed in the last minute by one vote.

We've seen two House speakers, J. Roberts Dailley and Phillips, lose reelection in general elections. We've seen Senate titans – Garton and Finance Chairman Larry Borst – defeated in Republican primaries. And there were the indictments and convictions of Senate leaders Chip Edwards and Phil Gutman in the 1980s. We've watched Frank O'Bannon, Robert D. Orr and John Mutz ascend to gubernatorial tickets as lieutenant governors and House Speaker

Doc Bowen win a gubernatorial race. House Speaker Kermit Burrous lost a 1980 lieutenant governor primary race.

But there has been nothing quite like the assault on the powerful, Napoleonic Bauer, who before taking the caucus helm a decade ago was an influential chairman and/or ranking member of the House Ways & Means Committee. And Bauer went down scratching and clawing, rebuffing coup attempts against him on June 28 and July 13.

The fact that the challenging House Democrats had the guts to try a third time – this time producing enough insurgents for a quorum – is nothing short of amazing. The identities of the insurgents are also fascinating. They include State Reps. Craig Fry, David Niezgodski and Ryan Dvorak from neighboring House districts to Bauer's in St. Joseph County. Niezgodski was once an aide to Bauer.

But this challenger group may be fleeting. Of the 22 who lined up against Bauer, nine – Fry, Mary Ann Sullivan, Jeb Bardon, Nancy Dembowski, Mike White, John Day, Dale Grubb, Chet Dobis and Scott Reske – are lame ducks and won't be there when the caucus next meets on Nov. 7. Rep. Peggy Welch is in a tossup reelection battle in a new



Republican-oriented district.

Other than Rep. Charlie Brown, the House Black Caucus, which has been a long-time underpinning to Bauer's power base, stayed loyal. Reps. John Bartlett, Bill Crawford, Earl Harris, Greg Porter, Cherrish Pryor, Vernon Smith and Vanessa Summers were not part of the rebellion. Crawford is retiring and will not be present at the next caucus.

The Region delegation was divided. Lake County's Linda Lawson, Dobis, Brown, Porter County's Chuck Moseley and LaPorte County's Scott Pelath were part of the anti-Bauer forces, but Mara Reardon, Dan Stevenson, Harris, and Smith didn't come over. Rep. Shelli VanDenburgh was in Lafayette for the coup, but it was as a favor to Lawson, who is suffering from back problems and had to lay prone in the backseat of VanDenburgh's car enroute. You didn't see VanDenburgh in any of the post-coup photo ops.

Neither did the Fort Wayne contingent of Win Moses and Phil GiaQuinta. Of this group, Stevenson is retiring and will not return.

Also divided was the Indianapolis delegation with Ed DeLaney, Day, Sullivan and Bardon backing the coup while Crawford, Summers, Pryor, Bartlett and Porter stayed with Bauer.

And Bauer kept most of the atrophied Southern Indiana contingent: Kreg Battles, Dave Cheatham, Terry Goodin, Clyde Kersey and Stephen Stemler stayed loyal to his cause, while Matt Pierce and Gail Riecken were part of the challengers. Of this group, Battles and Goodin are facing potent reelection challenges, while Cheatham is retiring.

So if you factor in the retirements, only 13 of the anti-Bauer forces will be present on Nov. 7. That could be reduced to 12 if Welch loses.

Many observers believe that Trent Van Haften is in a decent position to regain HD76 from Rep. Wendy McNamara and they also believe that the HD74 seat of Republican lieutenant governor nominee Sue Ellspermann will come back into the fold with Democrat Mike Schiefer. If those two pickups occur – neither a sure thing – the anti-Bauer forces could number as high as 15.

Of 18 Bauer loyalists, there is the potential of 16 remaining after factoring in the Crawford and Stevenson retirements, though this group could be pared down to as few as 14 depending on the reelections of Battles and



Goodin.

If you're Pat Bauer, you're looking at an almost even slate, with potential incoming freshmen Thomas C. O'Donnell in HD15 (open), Jerod Warnock in HD5 (Fry), Katie Morgan in HD31 (Rep. Kevin Mahan), Sue Errington in HD34 (open), Jim McCormick in HD69 (open, Cheatham), Mike Schriefer in HD74, Christina Hale in HD87 (Rep. Cindy Noe), Karlee Macer in HD92 (open, Rep. Phil Hinkle), Justin Moed in HD 97 (open, Sullivan), Robin Shackelford in HD98 (open, Crawford) and Dan Forestal in

HD100 (open, Day) becoming the incoming "deciders." Of this group, Bauer can count on Moed (a House aide), possibly Crawford successor Shackelford and potentially others he helped recruit.

However, the new Lawson campaign team that features Fry, Pierce and Pelath will be in a position to make the case for a continued new era on behalf of Lawson.

Handicapping Nov. 7

For the sake of handicapping, let's say that 14 Bauer loyalists return, and he can count on Moed and Shackelford to back his return to power. This puts Bauer in the 16 range. What this guarantees is some interesting phone tagging in the hours leading up to the Nov. 6 election and the frantic dozen hours or so afterward.

Bauer made it clear in the minutes after the coup that he will help elect new Democrats. "After today, I hope we'll get back to the business of helping members retain their seats and helping candidates be victorious in their elections," Bauer said. "We must get back to a unified effort of supporting all of our great candidates and members. They all have wonderful backgrounds. These people deserve our support after giving so much of their time and effort."

Democratic sources tell HPI that Bauer has \$180,000 in his own campaign account, isn't facing a credible opponent in the fall, and can shower some of these challengers with cash. Bauer may also be able to tap into some union funds. The Teamsters, for instance, "endorsed" him the week prior to the final coup.

Bauer also complimented Lawson, though not the process that dethroned him. "I didn't like the way they went about this process," he said. "I thought it was pretty ugly. But they came out with a good person to move on, somebody I felt would be a good floor leader. So they emulated my choice for a leader."

Lawson observed, "Pat has done many positive



things over the course of his leadership term, doing a great job of securing funding for schools and leading efforts to assist many of the underprivileged and underserved around the state. I don't want to take anything away from his successes, but when the members of our caucus look for leadership, they have decided to go in a different, more positive direction."

She is also perceptive and with a knack for paying attention to detail. She told NWI Times reporter Dan Carden why she preferred her back bench seat in the chamber even after ascending to leadership. "I loved it. I could see what everybody was doing, all those little side conversations," Lawson said. "I gleaned more being in the back row than you ever glean from the front."

HPI sources say that Lawson is seen as a "calming and stabilizing presence who might be coaxed into seeking the permanent leadership position depending on the results."

The source added, "There's little fight or jockeying among prospective leaders as the names mentioned (Lawson, Van Haften, Pierce and Pelath) seem content to put their shoulders to the wheel to try to keep the 37 members necessary to break quorum."

DeLaney told the Associated Press, "It's just two polar opposite strategies. One is one person knows it all, controls it all, decides it all, and has very few meetings. The other model says we try to get the best out of every one of our members – we may have some disagreements, but we have our team approach."

But several sources tell HPI that when caucus campaign director Kristin Self showed up at its Vermont Street campaign headquarters on Saturday, the locks had been changed. So while Lawson and Bauer attempted to put a good face on the coup hours after it happened, the fact is that unless true leadership emerges, there is the potential for a deeply divided caucus.

With most observers believing that hanging on to the current 40 seats will be a "victory," some see a very real possibility of losing up to seven more seats, which would give House Republicans the 67-seat super majority. A July HPI analysis puts the GOP pickup to 63 seats.

This sets up the dynamic of Bauer returning in November, saying, essentially, "We let you do it your way and look what happened" thus paving the way for his return to power - much like Bonaparte returning from his island exile. Republicans will like the Waterloo comparison.

Democratic power realignment

Bauer's ousting sets in motion an interesting power realignment within the Indiana Democratic Party.

A decade ago, South Bend was at the epicenter of power underpinning the Evan Bayh political organization and was a significant cog in the O'Bannon group. Lt. Gov. Joe Kernan, Speaker Bauer, and St. Joseph County Democratic Chairman Butch Morgan were all powerful players statewide, and Joe Donnelly was on the rise. After the death of Gov. O'Bannon, Gov. Kernan was defeated in 2004, Morgan has been indicted, Bauer has been demoted and Rep. Donnelly is in a tough U.S. Senate race against Republican Richard Mourdock.



South Bend Mayor Peter Buttigieg has seen dramatic shifts in local and state politics since taking the helm.

If Donnelly falls, that leaves rookie South Bend Mayor Peter Buttigieg as the key player in the Michiana area, though all eyes will be on Rep. Pelath after the November election. If Lawson can't hold on to any semblance of a coalition, and Bauer attempts to regain power – and don't count that out – Pelath could emerge as a compromise. So could Van Haften if he returns.

We're picking up some vibe that the Lake County delegation likes the idea of having a legislative leader in Lawson.

HPI columnist Rich James notes in his column on page 6 that few in Lake County have ascended to any kind of statewide power. Lake County Democratic Chairman and Hammond Mayor Thomas McDermott Jr., is ambitious, but somewhat disheartened that downstate Hoosiers don't give Lake County Democrats much credence. A key player to watch is HPI columnist and former LaPorte County Dem Chairman Shaw Friedman, who is close to both Pelath and McDermott.

Lake County Democrats are suspicious of Mayor Buttigieg, who ran and lost to Treasurer Mourdock in 2010, a year before he ran and won the South Bend city hall. They see a chance for Democratic Party power finally settling in the Region. They will carefully watch not only Buttigieg, but Bauer's Napoleonic notions of a return to power.

There is a long track record of rivalry on this front. It was Gov. O'Bannon's selection of Lake County's Peter Manous as state Democratic chairman in 2002 that prompted Lt. Gov. Kernan to leave the 2004 gubernatorial race, with Kernan believing he should have either made the choice or been consulted. The Manous indictment and Kernan's reemergence following O'Bannon's death promptly shifted the Northern Indiana power center back to South Bend. Where the Democratic power bases emerge in November will be one of the fascinating subplots to this cycle. ❖



Bauer served Dems well, but for too long

By **RICH JAMES**

MERRILLVILLE – In the end, it likely was his confrontational and dictatorial way of doing things that spelled the ouster of Pat Bauer, D-South Bend, as the leader of the House Democrats. Or maybe it was the bad rug that he has worn since shortly after being elected to the House in 1970.

Make no mistake, Bauer served Democrats well.

He just did it for too long. More than 40 years is an awfully long time for a legislator to stick around, especially in leadership.



Bauer knew the Legislature and he knew state government. Unfortunately for him, he never learned the art of compromise. One of the final nails in his coffin likely was Bauer's ouster of Chet Dobis, D-Merrillville, as speaker pro tem. Dobis, who was universally liked in the House, cast a vote two

years ago that led Bauer to strip him of his leadership position. That's not exactly how a colleague treats someone with whom he had worked for 40 years.

Bauer was an old-school politician who couldn't change with the times. He knew only one way of doing things – heavy-handed and without compromise. It's only fitting that Bauer is being replaced by someone from Lake County – the most heavily Democratic area in the state.

And for the sake of the Democratic Party, it may also be fitting that the new minority leader is a woman who has been in the Legislature for 14 years, not 40. And she is a Lake County Democrat without the customary political baggage.

Rep. Linda Lawson, a retired Hammond cop, said her immediate challenge is to unify the party and get Democrats elected in the fall. I suspect she will first reach out to organized labor. Her late husband, Jim Hornak, was an official in the carpenters' union. The unions are still seething about the right-to-work legislation that Republicans jammed down their throats in the guise of job creation.

Besides her support for traditional Democratic Party issues, Lawson has been the House leader in carrying legislation against dog fighting and for animal rights in general. Nothing makes a person better.

Despite being a bastion of Democrats, Lake County has been pretty much shut out of leadership in the General Assembly. The only other leader in modern times was Democrat Phil Bainbridge of Highland, who was House

Speaker for two years in the mid-1970s. In fact, Lake County has had few of its own in statewide positions. Gary Mayor Karen Freeman-Wilson, who was elected last fall to try to save a dying city, was attorney general a couple of decades ago when she was picked to fill a vacancy. But she failed miserably when she ran for her own full term.

Lake County Republicans, too, haven't fared terribly well in leadership positions downstate. Theodore Sendak, a Crown Point Republican, was attorney general some 40 years ago. But in terms of leadership positions in the General Assembly, Lake County Republicans never have been able to break through. The senior Tom McDermott, who preceded his son as Hammond mayor, wanted to be lieutenant governor, but that never went anywhere.

And, there was much talk this year about Valparaiso Mayor Jon Costas being Republican gubernatorial candidate Mike Pence's running mate. I suspect Pence's extremism, particularly on social issues, scared off Costas, who is much more moderate.

Back to Lawson. For the good of Lake County, she ought to seek to retain her position when the parties reorganize in November in preparation for the General Assembly session that begins in January. There is something to be said about leadership – even when in the minority – being able to do good things for the folks back home. Things like expediting the replacement of the Cline Avenue bridge, even if it is too late to keep it as a freeway; legislation to bring the Regional Bus Authority back to life through a permanent funding source; state funding to help make commuter rail expansion a reality; elimination of the levy freeze that was imposed because Lake County refuses to adopt an income tax. and expediting the groundwork for construction of the Illiana toll road across southern Lake County.

There are other issues, like a land-based casino in Gary, a convention center somewhere in the county, and extended state funding for the Northwest Indiana Regional Development Authority.

But most of all, I would like to see Lawson bring together the area delegation to the General Assembly and local officials back home. That ultimately could do more for Lake County than anything. ❖

James is the former editorial page editor for the Post-Tribune.

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Political euchre: Dems lose their left bower

By **DAVE KITCHELL**

LAFAYETTE - Former Notre Dame basketball Coach Richard "Digger" Phelps was known for saying he didn't want to schedule in-state rival Purdue for college basketball games because there were no good roads between South Bend and Lafayette.



Phelps' Notre Dame teams never did play Purdue during Phelps' many years in South Bend, a tenure that was not as long as outgoing Indiana House Minority Leader Pat Bauer has had in the Indiana General Assembly. The roads between South Bend and Lafayette have improved markedly since Phelps and Bauer became household names in South Bend. Phelps retired without winning a national championship, though he did make it to the Final Four once. Bauer is apparently headed to retirement

after being in the Indiana government version of the Final Four – governor, lieutenant governor, House Speaker or Senate President.

But after a majority of the Indiana House Democratic Caucus gathered here Thursday in a rare meeting outside of Indianapolis when the legislature is not in session, it's apparent that Bauer's time as a key Indiana leader is over. Whether or not he will run again in 2014 is the only real question remaining for him to answer.

Democrats have been loyal to Bauer, and some would say loyal to a fault. His best times were probably 10 years ago when he had former St. Joseph County party boss Butch Morgan behind him and former South Bend Mayor Joe Kernan ahead of him in the lieutenant governor's office.

But that leadership trio from South Bend – what may be the most noted political trio in one party in South Bend ever to reach the summit of Indiana politics – couldn't capitalize on its position. Had Kernan not indicated he wouldn't seek the governorship initially, then decided to run after he assumed office when Frank O'Bannon died, it might have been a different story. The same could be said if Republicans had not fielded Mitch Daniels.

But it wasn't meant to be. The best Democrats could do was to play to their strength – Bauer. As tough-minded as he was and is, Bauer was dealt a hand in 2010

that sealed his fate. With Republicans controlling both houses of the legislature, redistricting eliminated many seats that allowed Democrats to eke out a majority in the 1980s and 1990s.

When the dust settled, only 40 Democrats remained, with the prospect of even fewer if 2012 elections in new districts produce an even greater Republican majority. With the drought of 2012 serving as a metaphor for Indiana House Democrats as the low water point for the party in the past quarter century, the time for change finally came.

In euchre, the card game Hoosiers are known to play often at summer lake cottages and kitchen tables, the left bower is the second highest card in the game. Democrats in Indiana have trumped their own left Bauer with a new leader, Linda Lawson, who has virtually no baggage and no name recognition. What she does represent is a new direction for the party as it attempts to regain an Indiana House majority.

It will be difficult with names such as Dembowski and Grubb no longer around, but it may be the change Democrats needed to focus on new districts with fresh candidates.

Given the possibility that Barack Obama could carry the state a second time in November and open seats for the U.S. Senate and the governor's office, the Democrats are on the most level playing field they've had in a long time on the ballot. They'll need it to overcome a legislative map that has estranged many voters from their legislators, giving them shotgun marriages with incumbents they know little or nothing about.

The deck has been shuffled. The 2012 euchre hand is being played and the left Bauer is buried in the widow.

Now it's up to Lawson to call the trump or euchre Republicans at their own game. If she and Democrats succeed in creating a new majority out of this situation, they could create a new generation of party leadership for the next decade. ❖

Kitchell is an award-winning columnist based in Logansport.



Pence goes back to the tax cut well

By **BRIAN A. HOWEY**

INDIANAPOLIS - In Hoosier politics, you just can't go wrong with calling for a tax cut.

Democrat John Gregg called for a gasoline tax cut in April when prices were once again approaching \$4 a gallon.



On Tuesday, Mike Pence cited the 250,000 Hoosiers out of work and a persistent 8% jobless rate in making the case for a 10% across the board income tax cut, saying it

will be a job creator. In doing so, Pence called for "caution" on spending and "boldness" for cutting taxes. As for frozen education funding, Pence noted that graduation rates and test scores have been going up despite the freeze and said it would be up the Indiana General Assembly and his administration to "set the priorities."

It came just days before the Pence campaign made a \$2 million statewide TV buy for the final three weeks of the campaign, according to Bill Smith, Pence's chief of staff who came over to the campaign this week. "This is being bought today," Smith told HPI this morning.

Pence addressed an Indianapolis Chamber luncheon on Tuesday and made the proposal that he said would "give Indiana the lowest tax burden in the Midwest.

Reducing income taxes by \$533 million per year would give us the lowest overall tax burden in the Midwest." Pence reiterated at a press conference following his speech that he is intent on "saying no to government and yes to the taxpayer."

"Indiana must continue to pass balanced budgets without gimmicks or tax increases," Pence said. "Each budget must be structurally balanced, meaning that our annual expenses should not exceed the annual revenue collected by the state. We cannot return to the practices of the past where lawmakers used tactics like raiding teacher pension funds or delaying payments to schools in

order to support spending that was unsustainable on current receipts."

"Finally," Pence said, "tax increases to balance the budget should absolutely be off the table. Government should live within its means, just like Hoosier families."

Senate Appropriations Chairman Luke Kenley picked up on the "caution" aspect of Pence's remarks, but applied it to the tax cuts, telling the Indianapolis Star, "It's a lot to take out of the state budget. I'm sure it can be done. It just depends on where you set your priorities."

Pence, too, talked about priorities, but those came when he was questioned about education funding and the coming Medicaid expansion as part of the Affordable Care Act. Pence was asked about a proposed increase in Medicaid spending as part of the act. Pence, a vociferous opponent of "Obamacare," noted that "that's the law today" but added that "it may change" and said he would use "caution" in approaching the Medicaid question.

Gregg's campaign quickly pronounced that Pence had "no credibility" when it comes to taxes.

"Just last year Congressman Pence offered \$1 billion in proposed tax cuts with no way to pay for them (Courier Press, 8/3/11), while voting against tax cuts for the middle class (HR 4853 motion, HR 4853 motion, HR 3630 motion)," said campaign spokesman Daniel Altman. "And he has voted time and again for exploding deficits in Washington, voting to increase the deficit by \$200 billion."

On Wednesday, the Gregg campaign used the issue to tie Pence to the radical Tea Party movement. It pointed to a 2009 town hall in Anderson when Pence said, "All of our taxes used to be consumption taxes. All of them. I think the Founders of this country would have gone, 'you

want me to fill out a form to tell you what?' I think George Washington would have probably fixed bayonets if some body said, 'I want to know how all the income that came into Mt. Vernon, who you did business with, what contract.' He would have gone 'get my gun.'"

"This video is alarming, and shows the dark side of Congressman Pence's Tea Party past," said Altman. "Congressman Pence has a record of voting to increase taxes on low income Hoosiers through the crippling national sales tax, and now we see that he seems to think that if he doesn't get his way on this issue, the appropriate response is to 'fix



U.S. Rep. Mike Pence talks with a supporter after calling for a 10% income tax cut in Indianapolis. (HPI Photo by Brian A. Howey)



bayonets.' Pence cannot hide from his Tea Party past." While Pence was talking tax cuts - always popular with the Republican base - Gregg was in Anderson making his case for equal pay for female workers.

Gregg pointed to a four-point plan for ending wage discrimination:

1. Publicize public and private organizations that promote equal pay practices.
2. Create a governor's designation for Indiana businesses that show evidence that they support equal pay practices.
3. Establish an anonymous hot line so workers can report wage discrimination.
4. Create more job opportunities with better pay and good benefits.

Gregg said Indiana ranks fifth from the bottom in equal pay practices. "Thank God for the Deep South," he said. He lashed out at Pence saying he opposed the 2009 Lilly Ledbetter Fair Pay Act while in Congress. "Pence has made it a career to attack women," said Gregg, noting Pence's assault on Planned Parenthood.

The Anderson Herald-Bulletin reported that the Pence camp took issue with Gregg's comments. "Mike Pence strongly supports equal pay for equal work. He believes the best way to help all Hoosiers — men and women — is through across-the-board tax cuts and fiscal restraint," said Christy Denault, Pence's communications director.

While in Anderson, Gregg emphasized he is not a supporter of this year's right-to-work legislation, claiming it will devalue wages of everyone (Anderson Herald-Bulletin). "It will attract \$10-an-hour jobs," he said. "That won't buy Nike tennis shoes or a second car." He said a Gregg administration would pursue jobs with wages in the \$18-\$20 range with good benefits. Tax incentives would go to such jobs, not the big box retail jobs. "Tax dollars need to go to better jobs," he said. "We want to strengthen and grow the middle class."

Pence has missed a number of the House Judiciary Committee's votes over the last two years — a period during which he has been campaigning to become Indiana's next governor (Bradner, Evansville Courier & Press). The six-term congressman missed 63 percent of the committee's recorded votes in 2011, with most of those missed votes having come in the second half of the year, and he has missed 86 percent of its recorded votes so far in 2012, according to data compiled by Democrats. They're statistics that Pence's gubernatorial campaign chalks up to priorities. A spokeswoman pointed to his record of making 95 percent of House floor votes, and said many of those he missed in committees were votes where the outcome was certain. "Mike Pence has a lifetime voting record of 95 percent. He has made it a top priority to represent Hoosiers on the floor of the House and take care of the needs of his constituents. Hoosiers know that Mike Pence will do the job they

hire him to do," said Denault.

The Star dissected a \$1 million Republican Governors Association donation to the Pence campaign last Spring. The issue: a loophole between federal and state election laws makes it impossible to pinpoint exactly who supplied the money. That shroud of secrecy raises the possibility that corporations could skirt a \$5,000 contribution limit set by Indiana law, campaign finance experts say. In fact, one Indiana gambling company -- barred by state law from giving directly to a candidate at all -- is staying involved in politics by instead donating to federal political organizations, including the Republican Governors Association. That is the group behind the super PAC -- now called RGA Right Direction -- that sent the check to Pence.

Though the RGA is the PAC's sole funder, its support is drawn from money donated by contributors to the RGA, including many large corporations. An RGA spokesman defended the arrangement, saying its donors could not earmark donations for a specific candidate. Pence is far from alone in benefiting. Such big PACs are more active than ever. Gregg, has received more than \$43,000 from the RGA's Democratic counterpart and its PAC. However, the sheer size of the Pence donation -- amounting to nearly one-fifth of his haul this year -- demonstrates how much influence can be quietly exerted on an election. Neither Pence nor Gregg was available to comment directly Friday, their campaigns said. But Denault said Pence will continue to follow Indiana election laws about disclosure. Altman focused mostly on the Pence donation, calling it "a common Washington story."

Indiana companies are among the RGA's donors, according to a check of its IRS disclosure forms by The Indianapolis Star. DLZ Indiana, an engineering firm with offices across the state, gave \$50,000; Eli Lilly and Co. of Indianapolis also gave \$50,000; Weaver Popcorn of Noblesville gave \$125,000; and Roche Diagnostics of Indianapolis pitched in \$25,000. Indianapolis-based WellPoint -- although the IRS forms list an address in Cincinnati -- has given the RGA \$1.26 million over the past two years. And New Centaur, an Indianapolis gambling company that runs Hoosier Park, a racino in Anderson, also gave \$50,000.

Horse Race Status: Likely Pence

U.S. Senate: Lugar introduces Mourdock

State Treasurer Richard Mourdock is refusing to comply with his own deadline of Aug. 3 to release e-mails documenting his decision to file suit against Chrysler, Indiana Democrats charged today. They say that it's proof Mourdock is "hiding something," and are openly questioning if Mourdock was plaintiff-shopped. Plaintiff shopping is an unethical legal practice marked by attorneys seeking out a client with the legal standing and fiscal means to file a case they were not previously interested in pursuing.

In June, Indiana Democrats filed a series of open



records requests questioning Mourdock's motives, and he agreed to release the records by August 3. In a letter sent to Democrats on Tuesday, Mourdock changed his tune, claiming that the review and redaction of the documents would take longer and highlighting that Indiana law does not require him to comply in a timely fashion. Mourdock has previously claimed to have both fiscal and ideological motives for filing suit. It has since been revealed that he agreed to an early settlement offer from Chrysler with the same structure as the one that led him to file suit, undermining his ideological argument, and reported that he agreed to a minimum of \$2 Million in costs over a \$1.5 Million difference in offers, undermining the fiscal claim.

"Richard Mourdock is refusing to release records showing why he chose to sue to liquidate Chrysler, or even if he reached out to his Wall Street law firm first or if they approached him," said Indiana Democratic Chairman Dan Parker. "He's wasted millions in taxpayer dollars, and now he's trying to cover up something. Was Richard Mourdock played for a rube by his thousand-dollar-an-hour attorney? Hoosiers deserve to know who is a good steward of taxpayer money and who isn't. Release the e-mails." U.S. Sen. Dick Lugar and the man who unseated him in a bitter Republican primary, Richard Mourdock, have apparently buried the hatchet (Wong, Politico). In an act rife with symbolism, Lugar graciously introduced Mourdock — the Tea Party-backed state treasurer who ended Lugar's four-decade reign in the Senate — during a closed-door meeting of Senate Republicans on Tuesday. Upon learning Mourdock would be dropping by Tuesday's GOP luncheon, Lugar asked National Republican Senatorial Committee Chairman John Cornyn if he could personally introduce Mourdock. Mourdock repaid the favor, praising the 80-year-old Lugar's lifetime of public service to Indiana and the country. "My own comments on the night of the election were that I asked Hoosiers to support Treasurer Mourdock," Lugar told POLITICO. "I indicated I would be very pleased to have the opportunity to introduce him."

Lugar was "incredibly, incredibly gracious," Mourdock told reporters upon leaving the lunch.

A week ago, Mourdock used a speech before FreedomWorks to draw a historical parallel between slavery and the Chrysler bankruptcy case. His defense of efforts to prevent the Chrysler/Fiat merger led him to use part of a Lincoln quote that also includes a reference to slavery. "So that someone else can be given their assets," he said. "It is the same tyrannical principle as in 1858." The 1858 reference is to a Lincoln quote, one that includes a reference to "one race of men enslaving another race." Today Mourdock said he wasn't comparing the actions of the Obama Administration to slavery. "No, that wasn't the issue at all," he said. "It was about governments' actions and taking property."

Democratic Chairman Dan Parker issued a statement calling Mourdock's references to the Civil War era embarrassing and inexcusable. He said Mourdock should apologize.

Democratic Senate candidate Joe Donnelly says Mourdock is a threat to the program's existence (Smith, Indiana Public Media). There are plenty of issues on which Donnelly and Mourdock differ. But there is perhaps nothing the two Senate hopefuls disagree more on than health care coverage in the U.S. be it the Affordable Care Act, Medicaid or Medicare. Donnelly says Mourdock has questioned the very constitutionality of Medicare. "I can't think of anything more unsettling or more disturbing to seniors than for somebody to question whether the program that provides them their medical care should even exist," he said. But in a statement, Mourdock campaign spokesman Chris Conner says the GOP candidate has never said Medicare was unconstitutional, rather, that the health care program should be protected and strengthened. And Conner says it is Donnelly's support of the Affordable Care Act that represents a threat to the stability of Medicare. **Horse Race Status:** Tossup

7th CD: Babcock joins May campaign

Kyle Babcock has signed on to Republican nominee Carlos May's campaign as finance director. It is one sign that Republicans are reconsidering a better financed challenge to U.S. Rep. Andre Carson. The new 7th CD is less Democratic than it once was, though Democratic sources tell HPI it is still at least a 55% Democratic district. The IndyPolitics blog noted this week that Gov. Mitch Daniels and Mayor Greg Ballard carried precincts that make up the 7th CD in 2008 and 2011. Sources tell HPI that GOP financiers Jim Kittle, Bob Grand and Dan Dumezich will help May raise money. He reported a paltry \$35,000 for his second quarter FEC report. **Horse Race Status:** Likely Carson

9th CD: Yoder challenges Young to debate

Shelli Yoder, the Democrat hoping to unseat Republican U.S. Rep. Todd Young in Indiana's 9th Congressional District, challenged her opponent Tuesday to 13 town-hall-style debates in each of the district's counties (Louisville Courier-Journal). Young's camp responded by accusing Yoder of seeking media attention rather than making a sincere effort to arrange debates. Young campaign manager Trevor Foughty wrote in an email to The Courier-Journal that Yoder's campaign "delivered a letter to our office less than 15 minutes before sending out a press release, and that letter asked us to contact them even while omitting contact information." said that her campaign followed up with a phone call to Young's Bloomington office to provide contact numbers. **Horse Race Status:** Safe Young ❖



Walorski, Mullen run to the middle

By **MARK SCHOEFF JR.**

WASHINGTON - While Republican Senate candidate Richard Mourdock hopes to continue his success this election cycle by staking out and holding political ground on the right, the candidates in the 2nd CD are rushing to the middle.

Former state Rep. Jackie Walorski, a Republican, launched a television ad in July that shows her driving rural roads in the district and extolling centrist virtues. She believes that's where voters are on the political spectrum.

"They choose an independent voice to represent them in Washington," Walorski said in an HPI interview. "That's exactly who we are. That's exactly what we're running on."

Her Democratic opponent, Brendan Mullen, said Walorski is trying to hide her true nature.

"She has been a political bomb-thrower for her entire career," Mullen said in an HPI interview. "She's a finger-in-your-face party hack who has only voted along party lines. For her to re-invent herself 100 days before the election is unacceptable."

Mullen said that his campaign is gaining momentum "because of the moderation I'm selling. People are fearful of the Tea Party and what they've done to the state and to Washington."

What both candidates agree on is that the political middle is the place to be in north-central Indiana.

For Walorski, that means highlighting a Statehouse record that she says steered clear of divisive politics. She served from 2004 through 2010 and estimates that only about 15% of the legislature's votes were on "hot partisan issues."

"That's what [voters] expect to see in Washington," Walorski said. "They want to see people coming across the divide. We were a model of that in Indiana."

State Democratic Chairman Dan Parker counters that the most accurate portrait of Walorski was her 2010 race against incumbent Democratic Rep. Joe Donnelly, who is running for the Senate this year against Mourdock. Donnelly edged Walorski by 3,000 votes in a tough campaign.

"Jackie Walorski's image coming out of the 2010 election is one of a Tea Party candidate who is extremist and partisan," Parker said. "That's why I think you're seeing her try to change her image in her first ad, which I thought was hilarious."

Walorski's legislative record buttresses her claim of centrism, according to campaign manager Brendon DelToro. In a statement, he said that she was "instrumental"



in co-authoring or supporting "multiple bipartisan bills" including one that strengthened identity theft laws.

"Jackie has consistently been an independent voice for Hoosiers as proven by her successful tenure in the state legislature," DelToro said in a statement. "On the contrary, Brendan Mullen is a D.C. insider who doesn't know the first thing about building bipartisan coalitions to pass meaningful legislation for the benefit of Indiana's second congressional district."

This is the first run for any office for Mullen, a



military veteran. He grew up in South Bend and attended John Adams High School before going to the U.S. Military Academy at West Point, where he was the place kicker on the football team.

His military service took him to South Korea, Iraq, where he trained Iraqi security forces and was embedded with them on missions, and Ft. Belvoir, near Washington, D.C.

After he left the military in 2006, he worked in the Washington area for a small company that specialized in anti-terrorism and disaster-readiness consulting, where employment grew from one to 110 during his tenure. He then established his own firm, MKS2 LLC, a strategic planning, communication and information technology consulting firm that also engages in advocacy for Indiana National Guard and Reserve soldiers and their families and employs six full-time and 31 part-time workers.

Mullen moved his company, and family, back to the district in 2011 because he and his wife wanted to raise their daughter – with another one on the way – in South Bend. He’s quick to defuse attacks on his residency.

“I feel like I’ve never left,” Mullen said of his hometown.

He was inspired to run for office while attending memorial services for fellow soldiers at Arlington Cemetery, across the Potomac River from Washington. He said that the behavior of politicians was not living up to his friends’ sacrifices.

“I was raised on the values of hard work, family, fellowship and public service,” Mullen said. “Those are not the guiding lights that folks in Washington, D.C., are leading our country by. They’re bickering and acting like children.”

Although Mullen is trying to use the political-novice theme to his advantage, he’s raking in money like a savvy lawmaker. He has raised \$804,177 as of June 30 and has \$574,909 in cash on hand, according to the Center for Responsive Politics. Walorski has raised \$1,126,605 and has \$724,545 on hand.

Walorski said that her fundraising is the product of a strong grass-roots network. She slapped the “Washing-

ton” label on Mullen to dismiss his numbers, asserting that he is raising money from Democratic leaders and unions.

“It’s not a surprise that Washington liberal Democrats are supporting a D.C. insider,” Walorski said.

Mullen shot back that he is as rooted in the district as Walorski.

“We are not a Washington, D.C., inside campaign,” Mullen said. “We are through-and-through a grass-roots effort. We are blessed, humbled and thrilled with the extraordinary response we’ve gotten.”

The question is whether Mullen can get voters to agree with his argument that the moderate Walorski is a fake Walorski.



Democrat Brendan Mullen has raised enough money to make the 2nd CD potentially competitive.

There’s no doubt that the former TV reporter, university development professional and international humanitarian worker is a tireless campaigner who talks fast and can hit hard.

But her tenure in the state house was defined by the blue-collar area she served, according to a former colleague.

“Her district has the South-Bend personality,” said Rep. Marlin Stutzman, R-3rd CD and a former state senator who was in Indianapolis when Walorski was the assistant Republican House floor leader. “She knows the issues and challenges that people of north-central Indiana deal with.”

She’s also willing to go to bat for them, Stutzman said.

“She’s aggressive. She’s bold. She’s very articulate,” Stutzman said. “She’s not one to back down from a fight.”

Mullen will try to use Walorski’s time in the state house against her.

“My opponent has been walking in parades while I was in

Iraq getting shot,” Mullen said. “Washington no longer needs professional politicians. Indiana no longer needs professional politicians.”

Walorski sounds similar to Mullen when talking about the ire voters direct toward Washington.

“Hoosiers are more fed up with Congress today than they were in 2010,” Walorski said. “They’re looking for an independent voice to represent their values and not the two parties.” ❖



Walorski goes up on the air in 2nd CD

By JACK COLWELL

SOUTH BEND - Jackie Walorski drives all around the 2nd Congressional District in person, campaigning in the district's 10 counties, and, more importantly, on television, in the first political TV ad of the congressional race.

The ad shows Walorski driving her Honda (made in Ohio, her campaign stresses) as she talks in a soft-spoken way about her background and need for "working together" in Washington. It was to run for one week but has been extended for another seven days, at least through Monday, on South Bend network channels.



"There's been a lot of great feedback," Walorski says of the ad, with people she meets at fairs and other events saying they appreciate that it's "positive," not an attack ad.

Walorski, 48, the Republican nominee, who lost narrowly in the congressional race two years ago, runs now after redistricting in a more Republican 2nd District. But she faces what could be a tough challenge. So, she is driving hard. But in a softer way.

Brendan Mullen, 34, the Democratic nominee, has a potentially appealing resume as a West Point graduate who served as an Army officer in places like Iraq and along the DMZ in South Korea. Mullen isn't as well known as Walorski. His credentials and potential were so little known that he carried only one of the 10 counties - his home St. Joseph County - in winning the Democratic primary. Still, being far less known than Walorski could be a mixed blessing for Mullen.

Mullen - and the Democratic Congressional Campaign Committee, targeting the 2nd for an upset special - note that Walorski, though well known, was known in a negative way by a significant percentage of voters in her 2010 loss to Democrat Joe Donnelly, who now seeks election to the Senate.

She lost despite the Republican tsunami in 2010. Donnelly, a moderate "Blue Dog" Democrat, captured a decisive percentage of the middle ground. Walorski launched her campaign then by proudly citing her "pit bull" state legislative debate reputation and proclaiming: "I'd rather be a pit bull than a Blue Dog any day of the week."

Now, while not backing away at all from her conservative views, Walorski presents a softer approach that could appeal more to the decisive vote in the middle ground.

In her TV ad, Walorski says: "There's too much partisanship in Washington. And both parties are to blame." And she talks about "working together" in the state legislature.

"She knows she has to shift her tone and reinvent herself," says Mullen. "Our team won't let her do that."

"**She has the same poll** information we do," Mullen adds. He says polling shows a lingering negative view of Walorski as "a strident character and strident voice."

Mullen contends that Walorski is too well known over years of partisan campaign "yelling" to permit a successful change to a "working together" style.

Walorski says it is no reinvention to call herself "an independent voice." She cites times when she differed with Gov. Mitch Daniels as showing independence.

"There's a nasty, negative campaign coming from these guys," she forecasts.

Whatever the future tone of advertising by the two campaigns and other groups supporting them, it will be on the South Bend channels that reach most of the district. Both sides raise funds with that in mind.

Walorski has raised more and spent more so far. As of July 1, Walorski had \$725,000 cash on hand; Mullen had \$575,000.

As they seek to define each other, Mullen notes that Karl Rove came to the district for a Walorski fundraiser. She notes that Mullen received \$4,000 from Nancy Pelosi.

The Democratic Congressional Campaign Committee reserved \$297,000 worth of TV time for the final four weeks of the campaign.

Conservative super PACs could counter that to help Walorski.

At some point, polling will show how close the race seems to be. Each side will poll, either through the campaigns themselves or through supporting national organizations.

That will determine whether the DCCC really spends the \$297,000 and whether super PACs spend that or more. The decisions will be based on whether the 2nd is evaluated as a priority for the final weeks of the campaign or whether funds could be better spent for impact elsewhere. ❖

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



It's already high noon in the Senate race

By **MARK SOUDER**

FORT WAYNE – With the expensive Republican Senate primary, Richard Mourdock did get one gift, name identification. The old expression was “all publicity is good, just spell my name right.” That may not be as true when your opponent is essentially calling you a liar and a tax cheat, but that was not Mourdock’s only publicity. Club for Growth as well as Mourdock’s own ads wisely focused on a few core issues against Lugar and for Mourdock, which helped set up the Fall campaign.

For anyone other than Notre Dame fans, South Bend is not the center of the Indiana universe. Within the dominant Indianapolis TV market, perhaps half believe it is in Michigan. It is safe to say that Congressman Joe Donnelly is not a Hoosier household name, so he decided to start advertising in July. Thus, in Indiana, we have had two major candidates (Pence and Donnelly) airing television ads this early for the first time that I recall.



The Senate strategy of both parties was pretty clear. The Republicans would try to push the Democrats over the left cliff and the Democrats would try to isolate the Republicans to the right. Typically, we’d see some nice ads around Labor Day and then after a pause of between 72 hours to a few weeks, the candidates would lob a grenade, then a howitzer and bring out the nukes somewhere in October.

Then on the second to last Friday night, when your opponent cannot effectively respond for a number of days, if you are behind, you drop a hydrogen bomb usually on some alleged personal failure ranging from putting the dog in a carrier on your car roof to being a secret Muslim socialist born in Indonesia. Or worse.

The Lugar-Mourdock primary changed the Indiana landscape rapidly. Mike Pence is discussing every detail of his Indiana life and John Gregg is trying to pretend he’s a small town guy again, not a lobbyist and long-time Indianapolis political operative. I am just wondering which candidate will be the first to have a tattoo with the first stanza of “Ain’t God Good to Indiana” applied to his back. Lesson one is pretty obvious.

The other obvious thing is this: Indiana is an overwhelmingly Republican state and the chances of Barack Obama winning it again are less than IU winning the

national title in football. Furthermore, Mike Pence seems to be on track to a potentially large gubernatorial win. The Democrats replacing Pat Bauer as statehouse leader is one small step toward moving into the 21st Century, but replacing him with his sidekick Linda Lawson is not exactly a giant step. Hoosiers had not even gotten used to having a Lawson as secretary of state, so it is somewhere between confusing and irrelevant in the election decisions. This is a Republican state in a Republican year.

Joe Donnelly is no dummy. The second lesson from the primary is that there may be disgruntled Lugar voters who will switch to Donnelly. Joe, rather than sitting around like most consultants advise, realized that the best time to get those Republicans and independents is as close to the offending primary as possible. So up he went with two rather effective commercials.

The core of the Donnelly message to Lugar voters is simple: (1.) “I’m a likeable, hard-working guy who wants to get things done which requires us working together,” and (2.) Richard Mourdock is sort of a weird guy who sits alone in the stands at basketball games and yells from cars, because he isn’t the nice friendly hard-working guy that Indiana needs. He also formed a Republicans for Donnelly which, in a rather strange admission by the Donnelly campaign, apparently had 60 people sign up on line.

Richard Mourdock wasn’t going to just sit around and see if the number rose to 80 or 90 people defecting. He went to a Republican Senate meeting in Washington, where he was introduced by the gentlemanly Senator Lugar. Then they held a unity press conference.

Mourdock is also beginning two campaign commercials: (1.) “I am going to work to repeal ObamaCare which that guy Joe Donnelly rolled up his sleeves and got done. It kills jobs and hurts seniors too,” and (2.) Donnelly and Barack Obama are linked by the Capitol Building (which, right now, ranks lower than putting a mosque between them) and their mutual desire to raise your taxes and keep ObamaCare, which Mourdock won’t.

So there you have it, the October campaign in hot, dry August. High Noon has come rather early. The guns are blazing for control of the only path that would provide Donnelly an upset.

Note on the victory of Ted Cruz in Texas

As badly as the liberal Democrats want to find “Like you, I’m not a witch” candidates similar to 2010, voters appear to be more discerning this time around. Richard Mourdock is a twice-elected statewide official, local county commissioner, and long-time conservative. He wants to change and limit Washington, not blow it up.

Ted Cruz is a Cuban-American, whose family exemplifies the American dream. Cruz is no extreme libertar-



ian; he is a Princeton grad who studied constitutional law under Robert George, arguably the foremost legal expert of America's pro-life movement. He is also the author of the Manhattan Declaration, supporting marriage as between one man and one woman. George is the intellectual version of Chick-Fil-A, which Cruz served at his victory party. Cruz accepted Jesus Christ as his Savior at age 8 in a Baptist Church. He is now a member of a Spanish-speaking church, pastored by his father. Dr. James Dobson was one

of his key backers.

Americans, especially Republicans, are frustrated and restless. Economic issues are first priority during this Obama recession, but they are not the only issues, as Cruz again proved. ❖

Souder is a former Republican Member of Congress and a regular HPI columnist.

It's time to consider new gun control measures

By **MORTON J. MARCUS**

INDIANAPOLIS - This should be a no brainer, but many unthinking people are blocking gun control in this country.

OK. By now I have lost 99 percent of those who resist debate about guns in our communities. Those who agree with me, however, are deserting as well because they are tired of the battle.



The simple truth is half of all homicides and suicides are the product of gun usage. In total, 36,200 Americans died in 2010 because of guns. That's more than the number who died in vehicular accidents. That's more people than live in all but two dozen Hoosier cities. More than reside in Goshen or Merrillville, Michigan City or West Lafayette, Clarksville or Logansport Need I go on?

Gun control need not be a federal policy. It can be, and historically has been, a matter for state consideration. We do not have to follow the extreme positions of Texas and Florida. More reasonable models exist. But nothing can be done if the two major candidates for governor continue to pander to the ignorant, knee-jerk protesters who insist it is their right to populate the state with guns.

People use guns to kill people. Since we cannot rid ourselves of people, let's get rid of the guns. Guns are more efficient in killing people than are knives or poisons. (Yes, mama, I mean the hunting rifle and the shotgun too.)

For too long the anti-gun movement has been hobbled by timidity. Gun supporters use the second amendment to the Constitution to justify any serious effort to control ac-

cess to these machines for manslaughter. That amendment is out-of-date and needs to be changed so that our society can be safer.

Gun dealers do not contribute to a more secure society. They peddle the means to destroy ourselves and our neighbors. Gun manufacturers who produce for our military forces need to be limited in their sales for that purpose only. We need not be the arsenal of the fragmented nations of the world.

The argument, "someone else will sell the guns if we do not," does not justify our participation in the international gun trade. The argument, "if guns are outlawed, only outlaws will have guns" is a deadly play on words.

The pro-gun forces include gangs and sociopathic members of our society. People fear them and the gun racks they often display to intimidate less violent Americans.

The strength of the pro-gun forces is based on the hesitancy of anti-gun people to stand up, to display bumper stickers, to design acceptable laws, to be vocal in support of their beliefs, and to bring pressure on legislators. Those who would ban guns or severely limit them rarely stand and say, "The killing must stop". They may even tell tales of their rural childhood pleasure in destroying the rabbit population as if that gives them pro-gun credentials.

We will not prevent every Aurora, every Columbine, every drive-by shooting, or every suicide by gun until those who desire a safer nation are unafraid to stand for their beliefs against the tyranny of uncompromising, pro-gun dogma. ❖

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



Why are Indiana budget surpluses so large?

By **LARRY DeBOER**

WEST LAFAYETTE - July is state budget closeout month in Indiana, and the Indiana State Budget Agency gave us the news. The state has a lot of money in the bank.

Back in July 2011, the budget agency projected that the state would have balances of \$1,220 million by the end of fiscal 2012 (this July). One year later, they reported balances of \$2,155 million. That's a \$936 million, or 77%, increase in balances over expectations, in just one year. You can see these budget reports on the budget agency's website, at <http://www.in.gov/sba/2362.htm>.

How did this happen?



Balances are money in the bank. Like you or me, the state accumulates balances by spending less than it gets in income. In fiscal 2012, the state received more revenue and spent less money than expected.

Let's start with revenue. The economy grew faster than expected. Forecast revenue for fiscal 2012 was \$13,831 million, including taxes and other revenue sources. Actual revenue turned out to be \$14,167 million, \$336 million more.

The corporate income tax added the most - \$272 million more than projected. Corporations earned more profits and paid more taxes. Then there was the corporate income tax accounting error, reported in December. For a few years, some corporate taxes weren't counted in the general fund. In 2012 they were counted, so actual revenues exceeded the projections made before the error was discovered.

The error, reported in April, worked in the opposite direction. Local income taxes had been undercounted, and state income taxes overcounted in 2011 and 2012. After the correction, state individual income tax collections come in a bit lower than had been projected in 2011.

The two corrections also caused some fund transfers. The uncounted corporate taxes had been kept in a collections fund. They were transferred to the general fund. Income tax revenues owed to local governments for fiscal 2011 were transferred out of the general fund. Those two transfers netted out to a \$217 million gain for the state general fund in 2012.

Indiana has established a new hospital assessment fee, which added about \$106 million to state revenues. In-

diana collects the fee, and then pays it back to hospitals in higher Medicaid payments. That sounds like a wash, except the added payments draw more federal matching dollars. It's a net revenue gain for everyone (except the federal government).

What about spending? Appropriations for fiscal 2012 were set in the budget passed in 2011. Appropriations are the legal authorization to spend money, and they were almost unchanged between the closeouts in 2011 and 2012. But "reversions" increased. These are appropriations that are not spent, so they revert to general fund balances. In 2011, the budget agency projected reversions to be \$30 million. They turned out to be \$316 million. That's \$286 million in expected spending that didn't happen.

The budget agency provides a list of reversions by agency. The biggest spending reductions were \$64 million from the Family and Social Services Administration and Child Welfare Services, \$35 million in gaming tax distributions, \$26 million from the Department of Corrections, \$23 million from the Department of Environmental Management and \$67 million in reconciliations, which appear to be mostly accounting changes.

Appropriations minus reversions is a rough measure of total general fund spending. Larger reversions meant that spending growth in 2012 was less than expected, 0.3% instead of 2.3%. Does this mean that the state found ways to provide services more efficiently, so less money was needed? Or does it mean that some services were not provided? You can't tell from budget numbers.

In fiscal 2012, balances were 15% of the budget. A 2011 state law required balances over 10% to be used half for underfunded pensions and half for taxpayer rebates. So the budget agency projects that \$361 million will be used for pensions and the same amount for tax rebates in 2013.

Apart from a few miscellaneous changes, it all adds up to \$936 million in balances that we didn't think we'd have. Total balances are expected to remain above \$2 billion through the end of the biennium in 2013. And that means, for the first time in a long time, the General Assembly will have money to work with in the 2013 budget session. ❖

DeBoer is professor of agricultural economics at Purdue University.



Anthony Schoettle, Indianapolis Business Journal:

After chatting with resident IBJ graphics guru Dave Vrabel this morning, I realized the Brickyard 400's declining attendance demonstrates the strength of the franchise that is the Indianapolis 500. Vrabel is an avid motorsports fan—the kind who doesn't hesitate to drive a few hundred miles to a race, and he often helps me better understand the undercurrents of the sport. This morning, he brought something up, that while it seemed obvious after he mentioned it, I had not considered. While the Brickyard 400 NASCAR race has seen its rise and fall within a relatively short 19-year history, the Indianapolis 500 has persevered through good times and bad, through peace time and World Wars and through massive popularity swings in open-wheel racing. Even when CART vacated, leaving 33 drivers most people couldn't pick out of a line-up, the Indianapolis 500 drew more than 300,000 fans. Even as the IndyCar Series struggles today to find its re-unified legs, the Greatest Spectacle in Racing continues to pack 'em in. Is it a complete sellout like it was in the 1970s and 1980s? No. But it still counts itself as the nation's largest live sporting event. It's massively popular with locals and a good deal of out-of-towners. Safe to say, it's still hugely profitable. In its inaugural year in 1994, the Brickyard 400 drew a crowd comparable to that year's Indianapolis 500. Now, NASCAR would kill for the Brickyard 400 to achieve the kind of attendance and TV ratings that the Indy 500 has long produced. But once you leave Indy, IndyCar would kill for the ratings and attendance NASCAR has throughout their season. ❖

David Coker, Evansville Courier & Press: Herein lies the greatest fallacy — and the monumental human tragedy — of the historic "War on Poverty" we have been waging for the better part of my life. After spending literally trillions of dollars on these and other federal anti-poverty programs, we have a sizable portion of this nation's urban population totally dependent upon public assistance. The work ethic, once the solid backbone of the nation's industrial economy, has been rendered obsolete and unnecessary to those who receive public assistance. A way of life that once would have been considered shameful has become acceptable with no guilt attached. Dovetailed with the growth in the urban drug culture, gangs, and street violence, an abiding media complex creates equally dysfunctional millionaire rapper role models out of the urban chaos while many fathers remain behind bars. Throughout all of their ardent advocacy to "end poverty in America," proponents of this foolishness have never been very concerned with developing an exit strategy for those living in poverty. With many of the low-paying jobs which used to be available being off-shored to foreign countries, the business

community has largely washed its hands of any responsibility for providing employment opportunities for the least fortunate among us. However, the job of reclaiming our cities from the urban plague of poverty today begins with restoring hope and confidence in the children of poverty — a daunting task for outsiders who cannot begin to identify with the social pathologies confronted by these people. Until they discover dignity, a sense of self-worth and the ability to achieve, we will never solve the serious problem of growing poverty in America. ❖

Edward McClelland, NBC5Chicago: Chicago likes to compare itself to other world cities, so Ward Room thought it would find out how we rank in violence. It turns out no one can top us. Among what are considered Alpha world cities, Chicago has the highest murder rate -- higher even than the Third World metropolises of Mexico City and Sao Paulo. Here's how we rank in murders per 100,000 among cities we consider our peers, based on a projected murder total of 505 for this year: Singapore 0.4, Tokyo 0.5, Hong Kong 0.6, Berlin 1.0, Sydney 1.0, London 1.4 Toronto 1.7, Amsterdam 1.8, Paris 4.4, New York 6.0, Los Angeles 7.5, Mexico City 8.0, Moscow 9.6, Sao Paulo 15.6, Chicago 19.4. We could be doing worse: Caracas,

Venezuela has a murder rate of 130 per 100,000. But its undeniable that the Windy City is under seige. Gun lovers are gleeful about Chicago's deadly summer. They see it as a rebuke not just to gun control, but to the policies of Barack Obama and Rahm Emanuel. But Chicago's murder rate is not proof that gun control doesn't work. It's proof that, in a country with one gun per citizen, local gun laws are meaningless. The number-one factor in predicting crime is not guns -- or lack of guns. It is concentrated urban poverty. Because of Chicago's history as a segregated city, we have a lot of that. ❖

Russ Pulliam, Indianapolis Star: Raised on Indianapolis' Westside, Rick Baker looks like a potential White House Cabinet choice if Mitt Romney is elected president. After two terms as an innovative mayor of St. Petersburg, Fla., Baker serves as Romney's senior adviser for urban policy. That could put him in line for a Cabinet position. For now, he's telling his story in a book, "The Seamless City, A Conservative Mayor's Approach to Urban Revitalization That Can Work Anywhere." Baker was in Indianapolis last week to meet with Mayor Greg Ballard on his way to address a National League of Cities forum in Fort Wayne. As St. Pete mayor from 2002 to 2010, Baker made crime reduction his first priority. He also led renovation of a low-income, predominantly black section of town, an effort that helped him get 70 percent of the vote in his 2005 re-election. ❖





House GOP pass Bush tax extension

WASHINGTON - The Republican U.S. House voted Thursday to extend all expiring income-tax cuts through next year. The cuts were set to expire Dec. 31 (Fort Wayne Journal Gazette). The Democratic Senate voted last week to extend current tax rates for incomes of less than \$200,000 for individuals and \$250,000 for married couples, a plan advocated by President Obama. Rep. Marlin Stutzman, R-3rd, predicts the Nov. 6 election will determine which version becomes law. "My hope is the losing party will yield to the winning party after the election," Stutzman said in a phone interview before the vote. "That's why voters are going to have to decide what's good, because it's the government that spends their money."



Pete's GOP tracker goes berzerk

FISHERS - Kurt Holland was enlisted to follow Democratic Senate nominee Joe Donnelly in hopes of catching him in an embarrassing situation (Schneider, Indianapolis Star). Turns out it was Holland who committed the faux pas. Instead of following Donnelly he was following Marion County Judge Jose Salinas. Oops. Salinas told The Indianapolis Star that he had noticed a man with a camera videotaping a Democratic picnic he was attending Saturday. "Initially I thought it's probably one of the neighbors who is mad that there are 60 cars in the area," he told The Indianapolis Star. But as he left, he noticed the man in a car following him. At first,

he figured they were just going the same way. But as the man persistently stayed behind him, going faster when Salinas went faster, slowing when the judge slowed, Salinas grew concerned. "This goes on for 16 miles," Salinas said. "As a criminal court judge I'm subject to threats, people who don't like my rulings. I'm always leery about checking behind me and stuff. I'm scared," Salinas said. That, he said, is why he did not drive to his own home but instead to a parking lot. There, he was able to get behind the other car at one point to get the license plate number. The car sped off, and Salinas went to an Indianapolis Metropolitan Police Department branch. They traced the car to Holland, a 49-year-old Fishers resident. "Mr. Holland admitting to photographing the (Democratic) event and chasing after Judge Salinas, but says he thought he was following Joe Donnelly," the police report states. Holland told police he was working for Pete Seat. Seat is press secretary for the Indiana Republican Party, but Holland told police he believed Seat was working for the National Republican Senatorial Committee. His assignment, the police report states, "was to reveal how 'the party of the poor' is actually led by rich people, in nice cars, in rich neighborhoods. The photos were to be used for TV political campaign advertisements."

Thousands rally at Chik-fil-As

FORT WAYNE - Chick-fil-A fans by the hundreds turned out Wednesday to show their support for the fast-food chicken chain and its embattled president (Fort Wayne Journal Gazette). Sheryl Haarer of Hometown was among nearly 200 people in line at the Glenbrook Square food court location Wednesday afternoon, long after the lunch rush was over. Former Arkansas Gov. Mike Huckabee, a Baptist minister, had declared it "Chick-fil-A Appreciation Day," leading to long lines at the chain that does not open on Sundays. Their values have been under fire since Chick-fil-A president Dan Cathy told the Baptist Press last month that the Atlanta-based company was "guilty as charged" for backing "the biblical definition of a family." Gay rights groups and others answered with calls for boycotts because the privately held, family-owned company donates to organizations opposing gay rights.

INDIANAPOLIS - There's a shuffling afoot in the Indianapolis mayor's office today with an announcement that Deputy Mayor Michael Huber will leave to become senior director of commercial enterprise at the Indianapolis International Airport. Mayor Greg Ballard is nominating Deron Kintner, the Indianapolis Bond Bank's executive director, to succeed Huber.

Huber to leave Ballard admin

I-69 contracts awarded

INDIANAPOLIS - State highway officials have awarded a southern Indiana company a \$90 million contract to build a 6 1/2-mile section of the Evansville-to-Indianapolis Interstate 69 extension in Monroe County. The Herald-Times reports the Indiana Department of Transportation announced Wednesday that Gohmann Asphalt & Construction Co. of Clarksville was chosen from among 10 contractors that bid on the contract. The company's contract includes building an interchange in Monroe County to provide access to a connector road to Ind. 445 in Greene County.