



A Romney rebound for John Gregg?

Democrat needed a strong debate punch, but no breakthrough against Mike Pence

By **BRIAN A. HOWEY**

ZIONSVILLE - If there were two people in America who needed an emphatic debate performance to reignite their campaigns, they were Mitt Romney in the presidential race and John Gregg in his Indiana gubernatorial campaign.

A week after Romney rose to the occasion against President Obama, setting off a dynamic that has recalibrated (though not decided) the presidential race, Gregg met Republican Mike Pence in the first gubernatorial debate Wednesday night. And while both did a sound job of repeating their white paper and campaign platforms and slogans, the Sandborn Democrat appears to have missed an opportunity to create a breakthrough against Pence.

The candidates, along with Libertarian Rupert Boneham, appeared before about 1,200 people at the Zionsville Performing Arts Center and all three walked



through their resumes, cited campaign slogans and promoted their websites.

There were several of flash points, with Pence and Gregg differing on Obamacare, Right to Work and their Congressional and legislative records.

Continued on page 3

Not a hair out of place

By **BLAIR ENGLEHART**

INDIANAPOLIS – Not a hair out of place.

That's the image that Mike Pence has always displayed. And that's the image of his campaign advertising. Disciplined. Professional. Not a hair out of place.



The Pence campaign is, without a doubt, one of the most professionally run campaigns I have ever seen. The TV ads are spot on target. Short, simple messages are delivered in a calm, confident tone. Messages are being rolled out on a specific timeline to continue building momentum for the campaign.



“He’s creating a false story because he has a weak campaign.”

- U.S. Rep. Larry Bucshon, on speculation that Democrat Dave Crooks is pulling close in the 8th CD



Howey Politics Indiana

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

Brian A. Howey, Publisher
Mark Schoeff Jr., Washington
Jack E. Howey, editor

Subscriptions

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

☎ Call 317.506.0883

Contact HPI

Howey Politics Indiana
www.howeypolitics.com
bhowey2@gmail.com

☎ Howey's Cabin: 812.988.6520

☎ Howey's cell: 317.506.0883

☎ Washington: 703.248.0909

☎ Business Office:
317.506.0883

© 2012, Howey Politics Indiana.
All rights reserved. Photocopying,
Internet forwarding, faxing or
reproducing in any form, whole
or part, is a violation of federal
law without permission from the
publisher. ❖

And they're achieving their goal. As I write this, the most recent Howey/DePauw Indiana Battleground Poll has Pence comfortably with a double-digit lead over his opponent.

The Pence brand was introduced statewide with a simple, but effective spot. The entire spot was designed to say that Pence is a family man with the values that all Hoosiers hold. In the spot, he and his wife were ice skating and holding hands, reflecting on their lives together. It seems like a simple idea. But it was brilliant. The shots of them holding hands, plus the cutaway shots of their wedding rings, emphasized traditional family values, without beating people over the head or preaching. It was a subtle yet effective way to differentiate his family from John Gregg.

Subsequent spots have talked more about issues, but in a straightforward, gentle, non-combative tone. It's an approach that can be taken from a position of leadership – when you're way ahead in the race, remain calm and just keep looking forward. This allows him to mostly avoid talking about issues that might raise questions (i.e., social issues, legislative initiative, etc.) and instead continue to polish his brand as the world's nicest husband. So far, his opponent hasn't made enough inroads for Pence to feel challenged or require any changes to the well-honed plan that's in place.

So, is this the best political advertising campaign in the history of Indiana politics (coming on the heels of Gov. Mitch Daniels self-written ad campaigns of 2004-08)? In many ways, you could make that argument, because although Pence is playing it safe (very safe), there's no reason to do anything else. When you've got a

huge amount of money to spend on your campaign – and more coming in every day – you've got an incredible amount of control on what you say, where you say it and who you say it to.

I doubt if most people would disagree.

But, is this really a landmark Indiana campaign? That's where things get a little more dicey, especially in the local advertising community.

Mike Pence has built his campaign on a vision that appeals to many Hoosiers: To make Indiana the State



that Works. It's a noble vision and one that's needed as we all struggle through today's rough-and-tumble economy. It's a vision that attracts attention and votes.

Yet, Pence's media campaign is being produced in Ohio. Media buying is also being done from out of state. As he pushes a "back to work" agenda for Hoosiers, he's spending his money everywhere but here. And that's somewhat disturbing, in my opinion.

Now, truth be told, I have a dog in this fight. My agency would have been pleased to have been considered for this work. But, honestly, there are at least a couple dozen firms throughout Indiana that could do this work, and do it admirably. And by using one or more of the in-state firms, his campaign could keep hundreds of thousands of dollars (perhaps millions) in our own state's economy.



To be fair, John Gregg's ads are also being produced out of state, so this is an equal opportunity problem we face. But it becomes even more focused when Pence continuously talks about creating a "State that Works" – and I'm pretty sure he's not talking about Ohio.

Why do Pence and Gregg (and others) send their work out of state? I'm not exactly sure, except to fall back into the old excuse that they want to play it safe.

Why change when those firms produced results in the past, even if they're antithetical to your message?

Why search for an Indiana solution, when Ohio is just next door?

Why make a change, when it might mess up your hair? ❖

Englehart is president of The Englehart Group, a strategic marketing communications firm located in Indianapolis.

Gregg, from page 1

But the knockout punch that might resonate with Indiana voters, particularly independents where Gregg trails Pence by a 40-20% margin in the latest Howey/DePauw Poll, was missing. There were few memorable soundbites. The debate was civil, but not one of true tide breakers like Gov. Mitch Daniels was able to pull off against Gov. Joe Kernan in 2004 or Frank O'Bannon's defense against David McIntosh during his 2000 reelection campaign.

In 2004, Daniels used his first debate to cast an ethical cloud over the Kernan administration. "The sad parade of mistakes and misdeeds has continued all summer with no meaningful action," said Daniels. "A lax, embarrassing culture of quid and quo pervades this administration. If ever a state needed a fresh start, it is our state today." It emphasized Daniels' campaign quip that "every garden needs weeding after 16 years."

In September 2000, Republican nominee - U.S. Rep. David McIntosh - tried to cast O'Bannon's administration as mismanaged. O'Bannon responded, "You're right; the buck does stop here. Every now and then, we get an employee that steps off the wrong way and we get rid of them." O'Bannon went after McIntosh, saying, "I'll stand on my record. I've cut taxes \$1.5 billion."

This is the first race since 1996 without an incumbent. But with Pence maintaining a 14% lead in the Sep-

tember Howey/DePauw Indiana Battleground Poll, it was up to Gregg to forge a breakthrough. But missing was the epic soundbite or a quivering mistake by the frontrunner.

Gregg did lob a verbal assault at Pence's congressional record moments after Pence said he served on the House Judiciary Committee. A few minutes later, Gregg said that Pence had missed 86% of his Judiciary Committee votes, never passed a law while voting to raise the debt ceiling five times. "For 12 years in Congress, nothing passed," Gregg said. "Poor attendance record. And nothing but the lead warrior in the attack on women. That's all he's been about."

Pence retorted, saying, "John, you're not sounding much like yourself these days." He said that he has a "95 percent attendance record" and then took aim at Gregg, saying, "Maybe the reason is for five of the six years you were Speaker, Indiana ran a deficit. For five of the six years you led the General Assembly, we ran deficits in the tens of millions of dollars. Just talking about bipartisanship's

not going to be good enough. It's about having a plan."

Pence said after the debate that he had spent the campaign introducing himself and his family, "and our vision for the state of Indiana. But in a format like this, debates ought to be about debating and considering one another's records. I thought it was very important to introduce the issue of fiscal integrity and the facts are very clear. Gov. Mitch Daniels, when he became governor in January 2005, Indiana had an \$840 million deficit and we were in debt \$700 million to local governing units. And according





to the State Budget Agency ... the state ran a deficit for five of the past six years when my Democratic opponent was Speaker of the House." Pence said that under Daniels, the state has become the "fiscal envy" of other states.

Gregg defended his record as Speaker, saying afterwards that Lt. Gov. Becky Skillman and Senate President Pro Tempore David Long voted for the very budgets that Pence was criticizing. He also expressed amusement that "Congressman Pence" would criticize him for unbalanced budgets. Pence said that as a Member of Congress, he had stood up to leaders "in my own party" on budget and deficit issues.

Pence was asked by reporters about the irony of a Member of Congress, which has seen Clintonian budget surpluses evaporate into trillion dollar deficits, criticizing an opponent over unbalanced budgets. "I think fiscal responsibility is no joke," Pence said. "I've spent the last 12 years fighting against runaway spending by leaders of both political parties. I opposed the President and leadership of my own political party when Republicans walked away from fiscal responsibility. I think my record is very clear on that, that I've been an independent voice for fiscal responsibility on Capitol Hill. But as the saying goes, facts are stubborn things."

As for Gregg's charge that he had passed no bills, Pence said, "We've authored a number of pieces of legislation that became law. Protecting children on the Internet. Speaker Hastert believes I was the driving force behind the Deficit Reduction Act of 2006. That saved taxpayers \$41 billion. I've sponsored and co-sponsored legislation. But I do think this election was about the future. All of us were talking about the future of this state."

Pence said he supported the recently passed Right to Work legislation. But Gregg said the new law will produce only "\$10 and \$11 an hour jobs" that will force families into poverty.

After the debate, Pence described his desire to build on the state's "traditional areas of strength to create jobs and opportunity." He said he had conferred with Eli Lilly Company executives about it earlier in the day, saying he wants to create a life science sector around the state's research universities similar to one created around MIT and Harvard as well as near Stanford University. "It would be a platform where private investment would be placed and commission research with our research universities and the intellectual property that is created is then essentially created in a context and can go immediately to market and be commercialized, creating high paying jobs." Pence

said that corporate executives have told him that "this one idea could create tens of millions of dollars of investment in Indiana and the life sciences sector."

Pence began the debate saying he believes "Indiana is on the verge of an era of growth. I believe we can take Indiana from good to great."

Both Pence and Gregg lauded Gov. Daniels, with the Republican citing reserves and education gains in test scores and graduation rates despite flat budgets. Gregg cited Daniels and O'Bannon for expanding kindergarten programs and called for more early childhood education, saying that for every \$1 spent, it would save \$7 in the future. In the latest Howey/DePauw Indiana Battleground Poll, Daniels had a 58% approval rating. That same poll showed Pence leading Gregg 47-34%, and Pence leading among independents by 40 to 20%. Many Democrats saw this debate as perhaps the last opportunity for Gregg to claw his way back into the race.

Gregg took aim at Pence, saying he didn't back auto and steel workers. "You didn't support the auto industry," Gregg said of the era in 2008-09 when Chrysler and General Motors teetered on the brink of bankruptcy. "Your ideology has led to the loss of hundreds of thousands of jobs," Gregg charged. "I don't know where your roadmap leads, but I know where it has been and it has not been there for the auto and steel industries."

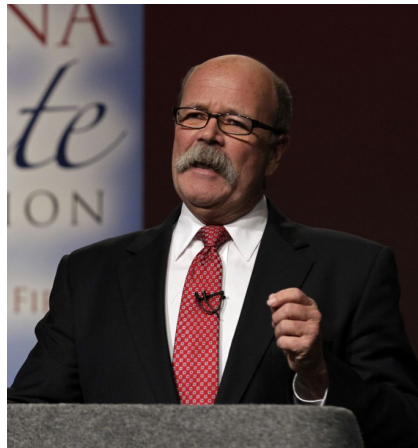
Gregg also called Pence "the lead warrior on the social issues" and added, "We don't need to be focusing on Girl Scouts and license plates." That was in reference to Indiana General Assembly issues where a Fort Wayne Republican criticized Girl Scouts and social conservatives sought to revoke a gay/lesbian auto license plate.

But other than that, the showdown over Pence and the GOP's "moral agenda" was not discussed much further.

Gregg did make an appeal for "Lugar Republicans," saying, "I have a challenge for Lugar Republicans who believe the party has been taken over by Tea Party extremists. If you're an extremist, I'm not your candidate." He added that moderates will "see I am the best one to be governor."

Pence's final appeal rested on leadership. "We thought we were among the people who could take this state from good to great," Pence said of himself and wife Karen as they deliberated a run for governor after 12 years in Congress. "If we produce the right leaders at every level, I believe Indiana will take its place."

The candidates will appear on Oct. 17 at Notre Dame University for the second of three debates. ❖





Polls show Obama debate was a ‘major blunder’

By **LARRY SABATO**
University of Virginia

CHARLOTTESVILLE - Two months ago, we said that “barring a major blunder by either candidate,” the presidential debates were unlikely to be all that decisive.

After one debate, it’s fair to say that while President Obama didn’t make an obvious verbal gaffe during his first debate with Mitt Romney, Obama’s entire, listless debate performance can be characterized as a “major blunder.” And it’s costing him significantly in the race.

This is what a historically bad debate performance looks like: On Tuesday afternoon, Romney took the lead in the RealClearPolitics average of national horserace polls for the first time this calendar year by grabbing a tiny, less than one percentage point lead (Obama was up 3.1 points the day of the debate).

We’ve long thought that in a close presidential race, Florida would likely end up in Romney’s column. Given that it was the president’s third weakest win in 2008, it naturally -- along with more Republican Indiana and North Carolina -- would be one of the states to fall out of Obama’s orbit in a much tighter race. So we’re moving Florida to Leans Republican, even though the polling there still indicates it is a toss-up. We’re also moving Virginia back from leans Democratic to toss-up. There’s no longer any compelling justification that Obama has the advantage here. We could see it going to either candidate by a point or two or three.

Our map still has President Obama at 277 electoral votes, or seven more than he needs to win the election. Romney, now at 235 after our rating change in Florida, needs to pick off the remaining toss-ups -- Colorado, New Hampshire and Virginia -- to get to 261 electoral votes (of those, the Granite State is probably the hardest lift). Then Romney would need either Ohio or Wisconsin, or both Iowa and Nevada. Compared with the earlier map, Romney doesn’t need a giant transformation.

NBC/Marist shows swing states tighten

A week after President Barack Obama’s lackluster debate performance, Republican challenger Mitt Romney

has made some gains in three key swing states among those most likely to vote, according to the latest round of NBC News/Wall Street Journal/Marist polls. Romney and Obama remain in a virtual tie in Virginia and Florida, and the Democratic incumbent maintains a slight advantage in Ohio. Romney saw his largest gain in Virginia, where he now edges the president 48 percent to 47 percent, a 3-point reversal from last week’s poll, released the day of the first presidential debate. The spread is within the poll’s margin of error. In Florida, before the debate, it was a 1-point race with Obama leading 47 percent to 46 percent.

Now, it is still a 1-point race with Obama leading 48 percent to 47 percent.

In Ohio, where there has been a renewed focus by the Romney campaign after the former Massachusetts governor’s strong debate performance, Obama leads 51 percent to 45 percent. That’s a 2-point uptick for Romney.

But the Ohio poll also included an 11-point advantage for self-described Democrats --- 40 percent to 29 percent for Republicans. Last week’s poll had a narrower 5-point advantage for Democrats. . (In 2008,

the party identification split was 39 percent Democrat and 31 percent Republican, according to exit polls.)

PRESIDENT	SENATE		HOUSE
Election 2012	Obama	Romney	Spread
RCP National Average	46.1	47.6	Romney +1.5
Favorable Ratings	+5.3	+1.0	Obama +4.3 ↓
Intrade Odds	61.5	38.7	
Electoral College	Obama	Romney	Spread
RCP Electoral Map	201	181	Obama +20 ↓
No Toss Up States	294	244	Obama +50
Battlegrounds ● ○	Obama	Romney	Spread
Ohio	48.3	46.7	Obama +1.6 ↑
Florida	47.5	47.5	Tie
Virginia	48.2	47.6	Obama +0.6 ↑
North Carolina	46.2	49.2	Romney +3.0
Iowa	48.6	45.4	Obama +3.2
Colorado	47.0	47.6	Romney +0.6 ↑

NYT/CBS: No sharp movement

The latest Quinnipiac University/New York Times/CBS News poll, of likely voters in the three states, Colorado, Virginia and Wisconsin, found no sharp movement after the debate and the news last Friday that the unemployment rate in September had dropped below 8 percent for the first time since Mr. Obama took office.

In Wisconsin, where Mr. Obama led Romney by six percent last month, the president now holds just a three-point advantage, with 50 percent to Romney’s 47 percent support. Last month, the president led Romney 51 to 45 percent. In Colorado, the two remain locked in a dead heat, with Romney leading Mr. Obama 48 percent to 47 percent, within the poll’s margin of error. Last month, also within that margin, Mr. Obama had the one-point edge, with 48 percent to Romney’s 47 percent. In Virginia, the presidential race remains essentially unchanged, with Mr. Obama holding on to a small lead over Romney, with 51 percent support to Romney’s 46. In September, the president led Romney 50 percent to 46 percent there. ❖



What you should be gleaning from the Bellwether Barometer

By **CHRISTINE MATTHEWS**

WASHINGTON - Since early August we've been following the online conversation and coverage about the candidates for U.S. Senate and governor (using proprietary Acuity4social software). Each week, we've published charts, and often commentary, about what we've found. The information we've gleaned has been fascinating, although maybe not entirely clear to Howey Politics readers. As a first-time endeavor and a work in progress, we hope to tweak it along the way to make our results more readable and more understandable. If you haven't read my initial column that describes the process and methodology, that is a good place to start on my column tab on the HPI homepage.



Since social media research in the political realm is relatively new, it may be difficult to know what to make of it. It is not a poll. Everyone knows what poll results mean – who is up, what issues matter, who was interviewed. While response rates are incredibly low, traditional telephone surveys are as close as we get to scientific, representative public opinion data. This is what we do with our Howey-DePauw polls of 800 voters statewide.

Our social media listening picks up conversations among social media users on Twitter and Facebook, blogs, YouTube and other sites as well as conventional news coverage that can be found on online news sites. We've been monitoring Joe Donnelly and Richard Mourdock and Mike Pence and John Gregg. While our Howey-DePauw poll (and others) have told us that the Senate race is a toss-up, our social media research has helped uncover some of the reasons. For example, the underpinning of the Senate race seems to center around who is more extreme, Richard Mourdock or Joe Donnelly. Mourdock has been on the losing end of that equation up to this point.

It was evident in our social media research which uncovered skepticism about his "bipartisan makeover" and confirmed in our September poll in which 18% of voters described Mourdock as "extreme," but only 7% said the same about Donnelly. We will look to our social media research in the coming weeks to see if Mourdock is able to turn that around with the help of millions from outside groups linking Donnelly to Obama/Pelosi and unpopular

policies such as Obamacare. Our late October Howey-DePauw poll will give us a quantitative perspective.

The governor's race has been lower profile, generating fewer mentions and a lot less drama. The conversation in the governor's race tends to spike when one of the candidates comes out with a policy proposal – a roadmap or a small business plan. The conversation about both candidates has tended to be more positive and issue-focused. The Howey-DePauw poll in September showed John Gregg to be a distinct underdog in this race and our social media monitoring points to the fact that Gregg has not made an attack on Mike Pence that has had any traction. We see some puzzlement over the Gregg ad strategy, and some criticism: The word "doofus" appeared in last week's track.

But, with a political climate that favors Republicans, and six in ten Hoosiers saying the state is going in the right direction, the fact that Gregg has failed to make the case for change or make anything stick against Mike Pence, demonstrates the challenges facing his campaign.

In this week's monitor, we see a shift in the conversation about the U.S. Senate race as it becomes clear that Indiana is a battleground that may determine control of the Senate. Enormous outside money is coming in from both sides with the Republicans trying to make this a referendum on Obama/Pelosi and the Democrats attempting to keep Mourdock on his heels about "my way or the highway."

The Mourdock strategy will be to make this race bigger than their candidate and Donnelly's priority will be to make it about the individuals.

Will voters decide their vote in this race within the larger context of Senate control? We will watch for clues in the next few weeks.

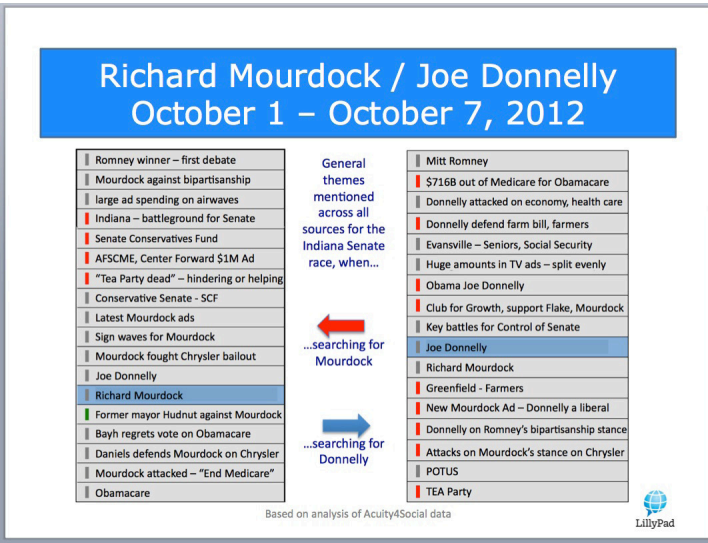


The word cloud (above) shows the key words or phrases that appear the most in connection to each candi-



date's name for the week of October 1-7. The larger the font, the more frequently it appears. Words in red are connected negatively and words in gray are neutral.

The following chart provides in more detail the key phrases or words that appeared the past week in social media posts or articles about the senate candidates. The column on the left relates to Mourdock and the column on the right to Donnelly.



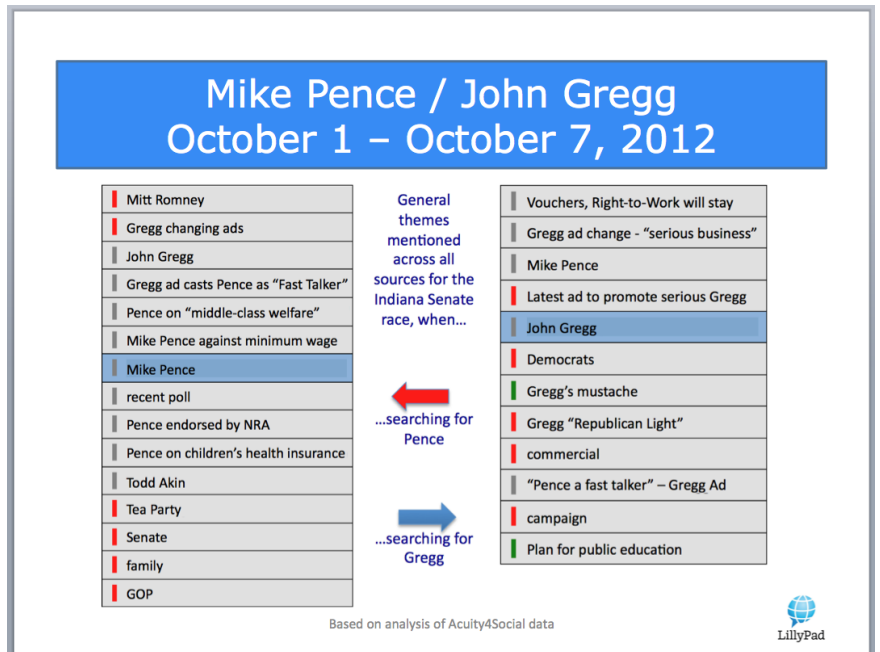
This is the first week we've seen "Obama Joe Donnelly," and the volume of attacks on him relating to Obamacare and the economy are showing up. What we don't know from our social media tracking at this point is how much they may be impacting his ballot support. Mourdock's role in the Chrysler bailout has gained traction with those both in favor and opposed to his role speaking out. The one theme that has remained present in weeks of tracking is Mourdock's lack of bipartisanship and discussion of him as the Tea Party candidate. The line from Romney in the debate about "my way or the highway" also entered the conversation this week as Donnelly attempts to use it as further evidence of Mourdock's distance from the mainstream.

In the governor's race in the past week, Gregg's shift from down-home humorous television ads to a more serious tone was a prominent theme. Criticism of Mike Pence as a "fast talker" also came up in this week's track. This week's report does show the Gregg campaign's attempt to portray Pence as not concerned about the middle class or working people. Is it too little, too



late? As is evident from the following chart, Pence is getting more buzz (60 documents versus 27 for Gregg) and last week's report in which the Howey-DePauw poll showed Pence up by 13 points dominated coverage and took a lot of wind out of the Gregg campaign's sails.

Gregg has used humor in his television ads and with his iconic mustache as a campaign symbol, his portrayal online reflects a lot of humor and irony as some people say that his mustache alone deserves a vote. However, it is precisely that he is not viewed seriously by some that undermines his argument that he deserves to be in the state's top executive office. His shift this week to a more serious tone was noted, but it remains to be seen how credibly this will be received. ❖





Crooks claims he's closing in on Bucshon

By **MARK SCHOEFF JR.**

WASHINGTON - Democrat Dave Crooks is confident that he's closing in on incumbent Republican Rep. Larry Bucshon in southwest Indiana's 8th CD.

"Big Mo is on our side," Crooks said in an HPI interview this week. "Big Mo lives in the 8th District of Indiana. It's nice to have my phone ring for once rather than me calling everyone else constantly."

Crooks asserts that internal polls demonstrate his momentum. You'll have to take his word for it because he won't release the numbers. "That's privileged information," said Crooks, a radio personality and former state representative. "I can assure you that it's razor close."

Former Rep. Baron Hill penned a fundraising letter in late September making similar vague references. "I just got off the phone with Dave, and he shared his internal polling with me," Hill wrote in a Sept. 27 letter. "The race is very close, and Dave is within striking distance. He's counting on us to put him over the finish line. If we don't help, he can't win. It's that simple."

Bucshon, a heart surgeon who first won the seat in 2010 with 57% of the vote, dismisses Crooks' bravado. "He's creating a false story because he has a weak campaign," Bucshon said in an HPI interview.

Bucshon tried to combat the perception that he is vulnerable by previewing his fundraising totals for the third quarter prior to the Oct. 15 release deadline. He raised about \$400,000 and has \$320,000 on hand – his biggest haul of the cycle. "It shows we have a lot of momentum going into this month [before Election Day]," Bucshon said. "I'm optimistic about the level of financial support the campaign has."

As of June 30, Crooks had raised \$742,605 with \$530,191 on hand. Bucshon had raised \$844,566 with

\$386,851 on hand.

Crooks promises strong third quarter results. Unlike Bucshon, he's not offering a sneak peek.

"We're trying to make sure everything is accurate – that the I's are dotted and the T's are crossed," Crooks said.

Crooks acknowledged that he has reduced his television buys in the Terre Haute and Evansville market. "We made some modest adjustments so I can get to the finish line," Crooks said. He quickly adds that he is receiving outside help. The Democratic Congressional Campaign Committee began running an ad in support of Crooks this week.

"We've made the cut for the most competitive House races, and I'm proud of that," Crooks said. "We have more resources on the way."

Bucshon is also benefitting from outside help in the form of \$114,000 that the American Action Network has spent on ads opposing Crooks.

As the DCCC jumps in to try to even the score, the National Republican Congressional Committee trusts that Bucshon can hold his own. "If the DCCC wants to waste money spending on this race, we welcome that," said Katie Prill, NRCC Midwest press secretary. "This is a Republican seat. Larry Bucshon has been campaigning



8th CD Democrat Dave Crooks campaigns in a local diner.

tirelessly to keep it that way."

The DCCC ad takes aim at an issue that Bucshon has focused extensively in his campaign – health care reform. The DCCC spot criticizes Bucshon for voting in favor of the budget written by the GOP vice presidential nominee, Rep. Paul Ryan. The Ryan plan would transform current pay-for-service Medicare into a program that provides premium support for participants to buy their own insurance in the private sector or to purchase traditional Medicare.

Republicans argue that the reforms won't affect anyone in or near retirement while preserving Medicare for future generations. Democrats say the Ryan approach



would end the Medicare guarantee. "Bucshon takes from Indiana seniors and gives to his special interest friends," the DCCC ad states. A DCCC spokeswoman said that tying Bucshon to higher Medicare costs resonates.

Bucshon's votes are "not in line with where middle-class families are," said Haley Morris, DCCC Midwest press secretary. "That's why you see so many Hoosiers excited by Dave Crooks' campaign to be an independent voice in Congress."

Medicare attacks don't faze Bucshon. In fact, he levels his own against the health care reform law, which Bucshon said cuts \$716 billion out of Medicare that would otherwise benefit current retirees. "I'm a physician, and I understand the issue very well," Bucshon said. "I get a positive response on it. [Voters] know that we're trying to do something to save the program."

Crooks has been trying to shift the focus of the campaign to the economy, arguing that Bucshon has supported trade agreements that ship Hoosier jobs overseas. "He seems to be out of sync with the typical person living in this district," Crooks said. "He's running like it's 2010. The only thing he can talk about is repealing Obamacare.



U.S. Rep. Larry Bucshon at the Mike Pence campaign kickoff. He scoffs at the notion his race is tightening. (HPI Photo by Brian A. Howey)

People want to know about jobs. They'd rather see jobs in Indiana than India."

Last fall, when he voted in favor of free trade agreements with Colombia, Panama and South Korea, Bucshon said they would create jobs. "It is imperative that these pending trade agreements be implemented immediately to open new markets for Hoosier exports," Bucshon said in a statement. "More exports mean more

jobs."

Shortly after the vote, Toyota announced that it would export the Sienna model manufactured in Princeton, near Evansville, to South Korea – the first time the vehicle has been sold outside of North America. Early this year, the company announced a \$400 million deal to move Highlander production to Princeton.

Perhaps the biggest challenge for Bucshon is not one that Crooks can pose. It's general voter disgust with Washington. "I went [to Washington] to change the direction of the country," Bucshon said. "We have had some success doing that – changing the conversation from how we spend money to how we save money."

Bucshon will know in less than a month if 8th CD voters will send him back to Washington to continue the conversation. **Horse Race Status:** Leans Bucshon ❖

Wobbly Mourdock getting national stars, money

By **BRIAN A. HOWEY**

INDIANAPOLIS – As the deeply flawed Mourdock candidacy wobbles toward the finish line, the Republican mantra has become a nationalized one: A vote for Joe Donnelly is a vote for Harry Reid and a Democratic Senate majority.

In the coming weeks, a bevy of key national Republicans ranging from New Jersey Gov. Chris Christie to Senate

Minority Leader Mitch McConnell to U.S. Sens. John McCain, Lindsay Graham and Kelly Ayotte will be in the state pushing the Mourdock candidacy.

The Associated Press reported that Crossroads GPS is going to pump in another \$2 million.

The \$8.4 million in spending data is based on reports filed with the Federal Election Commission through Tuesday. According to the FEC, the Democratic Senatorial Campaign Committee has spent nearly \$1.4 million on the race, all of it since Labor Day (Evansville Courier & Press).

- Other groups spending at least \$500,000, as reported in FEC data through Tuesday:
- National Republican Senatorial Committee, \$1.25 million.
 - Majority PAC (Democratic group), \$1.12 million.
 - Crossroads Grassroots Policy Strategies (Republican-affiliated group), \$1.08 million.





■ Freedomworks for America (conservative group), \$855,000.

■ American Action Network (Republican-affiliated group), \$613,000.

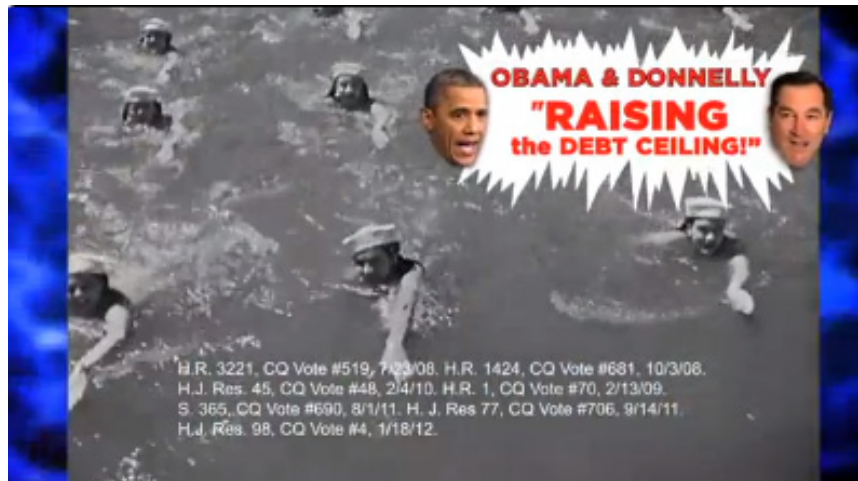
■ Center Forward (a centrist group with Democratic leanings), \$600,000.

The Washington Post keyed in on the reason: Richard Mourdock's upset of Sen. Richard G. Lugar in the state's GOP Senate primary opened the door for Democrats in a state that is expected to go Republican at the presidential level. Rep. Joe Donnelly (D) has won in a tough House district before. If the GOP somehow finds a way to lose this one, it can likely say goodbye to its majority hopes.

Indiana Republican Chairman Eric Holcomb penned an op-ed article in which he praises Mourdock's six years as Indiana treasurer. But he concludes by writing, "It should be no surprise to anyone that Senate Majority Leader Harry Reid is spending hundreds of thousands of dollars airing those dark grainy distorted television ads in an attempt to elect Joe Donnelly to the Senate. He knows that Donnelly's vote is one he can count on to push an agenda out of step with Hoosier voters, a key reason Senator Richard Lugar has stated he will be voting for Richard Mourdock. Nothing could be more helpful to Reid – and more hurtful to Hoosiers – than to have Donnelly canceling out Sen. Dan Coats' votes in the Senate."

A Republican poll by McLaughlin & Associates had Mourdock leading 45 to 42% with Libertarian Andrew Horning at 4%. But Howey/DePauw Indiana Battleground pollster Christine Matthews observed that 56% of the poll included people age 55 and over. Indiana Democratic Chairman Dan Parker observed that the African-American sample was only 4%. The September Howey/DePauw Poll sample of 55 and older was 40%.

About \$615,000 – including \$315,000 on behalf of Mourdock – was to be spent on TV ads in the state this week and next. Spending by national groups has topped \$10 million, the Associated Press reported. Politico raved about the latest Mourdock ad: "Synchronized" – a spot paid for by the National Republican Senatorial Committee – stands out with its clever use of synchronized swimmers from an older era, an inimitable narrator's voice and colorful comic-strip like graphics. Donnelly, meanwhile,



continues to use Mourdock's quote about how he wants to "inflict my opinion on someone else" in his latest spot. But all things considered, the Mourdock spot leaves a more lasting impression."

The Donnelly ad is aimed at the middle class, as contrasted with Mourdock's "inflict my opinion" quote. "Joe Donnelly is in the Hoosier

common sense middle," said Elizabeth Shappell, communications director. "Richard Mourdock has embraced a no compromise, 'my way or the highway' stridency. Joe will work across party lines to create jobs, cut spending, and help middle class families. Hoosiers have a clear choice this fall between Joe Donnelly, who will be an independent voice, and Richard Mourdock, who wants more partisanship in Washington."

In addition, VoteVets.org spent \$275,000 linking Mourdock to his role in fighting the Chrysler bankruptcy.

The most significant press story was filed by Evansville Courier & Press reporter Eric Bradner, who reported: "The night before Chrysler filed for bankruptcy, the investment manager that state Treasurer Richard Mourdock hired to pump \$18.3 million of Indiana's money into the struggling automaker agreed to settle. Hours later, Mourdock – who said he had not known Indiana took the deal – wiped his brow when a handful of hedge funds broke the entire agreement apart. Within days, he was plotting his own effort to stop the company's restructuring. A judge compared him to 'the little man in Tiananmen Square when the tanks rolled in.' Over six weeks, he spent \$2 million – more than the \$1.6 million difference between the deal his investment managers had agreed to take, and the new one that he was fighting – on a legal battle that he would take all the way to the U.S. Supreme Court. He called it a fight for principle. His opponents said it was a move that could cripple a badly limping economy and wipe out as many as 124,000 Hoosier jobs at automakers, suppliers, dealers and more – all the while standing little chance of bringing Indiana's funds more money."

Other fascinating parts of Bradner's story:

■ "It begins in July 2008 at Columbus, Ind.-based Reams Asset Management. The firm was handling a police pension fund for Mourdock's state treasurer's office as well as a teacher pension fund and the Major Moves fund



for the Daniels administration. It invested about \$18.3 million total in already struggling Chrysler, buying \$42.5 million worth of secured debt – the kind, that would give Indiana “first in line” status to recover its money should the company go belly-up – for the cut rate of 43 cents on the dollar.

■ “After weeks of tough negotiations, Obama’s Team Auto, led by ‘car czar’ Steven Rattner, on March 30, 2009, said that Chrysler and the banks, hedge funds, pension funds and others that held those bonds would get 30 days to negotiate a deal, or else the automaker would ask a judge to approve its plans to restructure through Chapter 11 bankruptcy. At the end of those 30 days of high-stakes jousting, an offer was in place to pay \$2.25 billion to those groups to retire the \$6.9 billion in debt – a return of about 33 percent. It was quite a ‘haircut,’ and Team Auto was applying pressure to make the deal happen, and quickly – there was an expiration date of June 15 on the deal with Fiat. Since 92 percent of that secured debt was held by major banks that had received federal bailout money, they agreed to it. Others were being pushed to do so, as well. Rattner called Mitch Daniels on the Indiana governor’s cellphone one day as Daniels walked into the Statehouse. On the call, Daniels later wrote in a book, Rattner was ‘diplomatically suggesting that the politically smart course for a governor with Chrysler facilities in his state was to go along with the deal.’”

■ Mourdock says Reams Asset Management, which still handles state money, did not receive the treasurer’s authorization before faxing in the form consenting to the deal. As the clock ticked, Indiana was in. So were other states with pension funds invested in Chrysler, including California and Michigan, as well as the major banks. However, a handful of hedge funds were holding out for a sweeter deal. They wanted another \$250 million added, and they wanted to split \$500 million of the \$2.5 billion total among themselves. The deal collapsed.

■ The offer to retire the \$6.9 billion in debt had shrunk. What was on the table the day before was worth \$2.25 billion, or 33 cents on the dollar. The deal sought in court was worth \$2 billion – closer to 29 cents on the dollar, or \$1.6 million less total for Indiana’s funds than what they could have received the day before.

■ The judge left two more weeks for anyone to file a motion to fight the deal. That’s when Mourdock became involved. He was already angry that his fund manager had consented to a deal without his OK. Mourdock

Indiana

Tossup

FIVETHIRTYEIGHT PROJECTIONS	DEM	REP	MARGIN
Polling average	40.0	38.4	Donnelly +1.6
Adjusted polling average	43.6	41.5	Donnelly +2.1
State fundamentals	44.2	46.5	Mourdock +2.3
Now-cast	43.9	44.1	Mourdock +0.2
Projected vote share	48.3	48.5	Mourdock +0.2
Chance of winning	49%	51%	

POLLS	538 WT.	DATE	DEM	REP	MARGIN
Howey/DePauw	■ ■ ■ ■ ■	9/23	40.0	38.0	Donnelly +2.0
Rasmussen	■ ■ ■ ■ ■	8/1	40.0	42.0	Mourdock +2.0
Howey/DePauw	■ ■ ■ ■ ■	3/27	35.0	35.0	Tie

said he insisted that all correspondence be passed on to him and that no more steps be taken on behalf of the Indiana funds without his approval. Mourdock thought the federal government should not be in the business of choosing industries to save. Though studies suggested otherwise, he thought liquidating Chrysler and selling off its assets might bring Indiana a better return.

■ On May 18, he lashed out at the Obama administration for changing the rules on how secured bondholders were compensated and defended the money managers

that invested in Chrysler. Meanwhile, Mourdock stayed in contact with Daniels. He phoned the governor to say they had a decision to make, and the time left to make it had shrunk from days to hours.

■ Indiana’s initial investment into Chrysler was \$18.3 million. The deal Reams Asset Management agreed to take was worth \$13.8 million. What Indiana ultimately received was \$12.2 million. So, Indiana’s three funds got back \$6 million less than they had invested – minus an additional \$2 million for legal fees. Backers of Donnelly’s Senate campaign point to the difference between what Reams agreed to take and what Indiana got – \$1.6 million – and say because Mourdock spent more on attorneys’ fees his motives were political.

■ “Richard Mourdock says that government shouldn’t pick winners and losers, but he spent more than 2 million taxpayer dollars doing just that,” Indiana Democratic Party Chairman Dan Parker said. “The winners were a New York law firm and his political career. The losers were Indiana taxpayers, the retirees he had a duty to protect, and the more than 100,000 Hoosiers working in jobs his suit would have killed.” Mourdock, however, has argued the numbers cannot be assessed so simply. He believes if Chrysler had been liquidated, assets such as its Jeep brand could have netted a better return.

■ Daniels, the governor who supported Mourdock’s move in the first place, called it “one of the most principled and gutsy things I’ve seen an elected official do in a long time.”

Horse Race Status: Tossup

Governor: Gregg leaves Sandborn TV

Democrat John Gregg’s TV ads have finally left Sandborn and he began new messaging with the Indiana Statehouse as a backdrop. “I know how to create jobs and invest in our children, so Indiana experience or Mike Pence,



who is part of the problem in Washington. I hope it's an easy answer," Gregg says in the ad.

He told WISH-TV, "It was the next natural step. We are excited about it and there is more to come and four more weeks to go."

As for Pence, more speculation grew over whether a governorship would concentrate on jobs and the economy, as opposed to the "moral" agenda that helped forge his political career. It's almost as if Pence is taking cues from Gov. Mitch Daniels' 2010 comments when he called for a "truce" on social issues to get financial ones under control. Pence responded then, saying that conservatives should not be "silent" on moral issues. But, essentially, his gubernatorial campaign has been.

A Sunday Indianapolis Star story reported: "The 53-year-old congressman's eagerness to champion anti-abortion and other social issues, to talk openly about his Christian faith and to fight for limited spending has earned him the respect of political conservatives and the Tea Party movement. But since he began criss-crossing Indiana last year in his bid to be the state's next governor, the Columbus native has campaigned to add jobs, grow the economy and improve education. He hasn't talked about social issues. His opponents say he's hiding his views. Political watchers say he's playing it safe and smart. Pence says it's simple. 'I think the priority right now for Hoosiers, from what I've heard traveling the state, is on getting our economy moving, getting our schools working for our kids. In applying for this job, we're going to offer our very clear vision on those issues.'"

The Star noted that, "It's left many voters wondering which Mike Pence they would get in office, the man who would spur job growth or the one who famously says he's 'a Christian, a conservative and a Republican, in that order.' Pence says the answer is both. His support of what he terms traditional values is well known and will continue. He would consider Indiana lawmakers' efforts to strengthen such laws. But Pence maintains they won't be part of his agenda. His record, opponents are quick to point out, says otherwise."

The other big story involving Pence was from the Associated Press, which reported that his plan to promote two-parent households to break children out of poverty won't include gay couples. "I understand the desire of some to hurry off to the fault lines of a social issues debate, but I actually think we could create a broad consensus around this where we say in effect, 'Are there ways for us in Indiana to affirm two-parent, married couples and to encourage more kids to get married, to stay married and to wait to have kids until they get married?'" Pence said.

Pressed on why same-sex couples would not meet his metrics, Pence said it's because they are not married. "I understand it. I get it. Our focus here is on an affirmative

statement about traditional, two-parent married couples," he said.

On the legislative front, the House Republican caucus revealed its agenda, and it didn't include Pence's 10% income tax cut. House Speaker Brian C. Bosma cautioned that the state had already committed to eliminating the inheritance tax and any new cut would have to consider the long-term implications for the state, not the short-term popularity of campaign promises. "I stopped the last governor from raising taxes, which he felt from a short-term view needed to happen, but we were convinced the state could get through two budget cycles without a tax increase and that's the way it turned out. And I've been thanked a couple of times," Bosma said of Gov. Mitch Daniels' effort to raise the income tax on high-earners when he first took office.

Bosma also said Thursday he "wouldn't be shocked" if lawmakers sign off on a constitutional ban on same-sex marriage next year. An affirmative vote by the Legislature would place the issue before voters in 2014. Indiana already defines marriage as between one man and one woman, but supporters argue it would further cement the law by inscribing it in the state's constitution. But he declined to take social issues off the table for 2013, saying he would respect the will of his members.

Horse Race Status: Likely Pence

2nd CD: From Leans to Likely Walorski

Howey Politics Indiana along with Roll Call and the National Journal have moved the Indiana 2nd CD race from "Leans" to "Likely" Jackie Walorski. It comes with the news that national groups are pulling advertising in the open seat being vacated by U.S. Rep. Joe Donnelly as Republican Walorski seeks the seat after barely losing in 2010. House Democrats are diverting resources from this district elsewhere, a sign the party believes it's no longer in play. Roll Call reported that it's very difficult to see how Iraq War veteran Brendan Mullen (D) overcomes Walorski (R) so late in the cycle. Walorski announced on Tuesday that she ended up a little north of \$400,000. She will report more than \$415,000 raised for the third quarter, which ended on Sept. 30. **Horse Race Status:** Likely Walorski

5th CD: NRA endorses Reske

Democrat Scott Reske was endorsed this week by the National Rifle Association. Reske is one of only two non-incumbent Democratic candidates who received the NRA endorsement for the House of Representatives. His Republican opponent, Susan Brooks, was not endorsed. "I'm a strong Second Amendment advocate," said Reske. "I'm a competitive shooter, who spent 28 years in the U.S. Marine Corps and served both on active duty and in the



reserves, retiring as a colonel. In addition, I have served my community as a reserve deputy sheriff for five years.”

Horse Race Status: Safe Brooks

9th CD: Young TV ad features vet

U.S. Rep. Todd Young began airing his second TV ad on Monday (Howey Politics Indiana). “There is no doubt that our country faces some big challenges,” Young said. “But at the end of the day, the job of being a U.S. congressman is about serving your constituents. As important as it is to tell voters where you stand on the issues, it’s just as important to tell them, ‘We’re here to help you when you need it most.’ That’s why one of the top priorities in our office is strong constituent services.”

The Indiana Manufacturers Association (IMA) endorsed the re-election of Young, citing his pro-business and pro-jobs voting record. “Your support of pro-business policies is essential to the continuing success of the manufacturing enterprise in Indiana,” IMA President Pat Kiely told Young in a letter. “If the nation’s fiscal balance is to be restored, your continuing leadership will be required. You have set an excellent example, and we trust you will continue that battle resolved to find a solution beneficial to the nation and state.” **Horse Race Status:** Safe Young

Indiana General Assembly

FRY LOOKS TO HANG ON TO 40 SEATS:

Republican dominance and Democratic frustration have characterized the past two sessions of the Indiana General Assembly, and it appears that balance of power is unlikely to change in the near future (Allen, South Bend Tribune). Republicans – with a 60-40 advantage in the House of Representatives and a 37-13 supermajority in the Senate – have been able to pass major legislation affecting hot-button areas such as labor law and public education during the past two years. They also were able to redraw the districts that Statehouse candidates are running in this year. Several pundits have speculated that Indiana Republicans might even expand their majority on Election Day next month. Democrats are hoping to hold their current numbers. Craig Fry, a Mishawaka Democrat who’s retiring after 24 years as a state representative, was in the majority for most of his tenure. While Republicans have long held the Indiana Senate, Democrats have had the House majority for a total of 14 years since 1988, the first year Fry was elected. The GOP won majorities in 1994, 2004 and 2010, and the two parties shared a 50-50 split after the 1988 and 1996 elections. But Fry, who is coordinating the House Democrats’ campaign efforts this year, said it’s going to be a long process for the party to reclaim the majority. “The maps were drawn by the Republicans, and they drew them to benefit them,” Fry said of the redistricting process that

followed the 2010 census.

SD37: BRAY GETS RTL, NRA NODS: Rod Bray announced that Indiana Right to Life has endorsed his candidacy for Senate District 37. He has also received an endorsement from the National Rifle Association (Howey Politics Indiana). “I’m very proud to have received the endorsement of Indiana Right to Life and the highest rating from the National Rifle Association,” Bray said. “I am unwavering in my commitment to protecting the lives of the unborn and preserving our Second Amendment freedoms and will be a champion for these and other common-sense Hoosier values at the Statehouse.”

HD11: NIEMEYER VS. HART: Two men are vying to be the first representative for the new District 11 in the Indiana House of Representatives, and both say they want to focus on jobs. District 11 is without an incumbent after being redrawn to cover portions of southern Lake and Porter counties. Lake County Councilman Rick Niemeyer, the Republican candidate for the seat, said creating jobs would be his main focus if elected. Part of that would be providing incentives for new small businesses to move to the state while at the same time helping existing small businesses. “I want to give them the opportunity to start hiring more people,” Niemeyer, of Lowell, said. One such incentive could be reducing, if not eliminating, the personal property tax. Many manufacturers pay a large amount of tax on their equipment, and a reduction in that could be a big savings and incentive for them, Niemeyer said.

Democratic candidate John Hart, a paramedic, also listed jobs as one of his main concerns. The Cedar Lake resident said a recent drop in the national unemployment rate was good news but he was concerned because Lake County’s rate is above that average. Hart said he wants to give tax incentives to small businesses that hire unemployed Hoosiers and give more money to the state’s small business loan program so those companies can expand (Post-Tribune). He also wants to ban companies from making a hiring decision based on a potential employee’s credit score. “Just because you have a low credit score doesn’t mean you’re a bad person,” Hart said. The state could also create a rule saying that 90 percent of a contractor’s employees working on a state project would have to live in the state, although the plan would not work for any project receiving federal dollars. Hart also wants to work to repeal the Right to Work law that was passed earlier this year. Although he said he doesn’t know if he’ll meet with success if the Indiana General Assembly remains under Republican control, Hart still plans on turning back a law that he says hurts people who are employed. “They promised us jobs, and instead they attacked those who actually still have a job by passing Right to Work,” Hart said. **Horse Race Status:** Likely Niemeyer. ❖



Primary fallout? Russia to pull out of Nunn-Lugar

By **BRIAN A. HOWEY**

INDIANAPOLIS – The geopolitical fallout of U.S. Sen. Dick Lugar's Republican primary defeat to Indiana Treasurer Richard Mourdock last May began to take shape when the Russian newspaper Kommersant reported on Wednesday that the nation is preparing to pull out of the Nunn-Lugar Cooperative Threat Reduction Program.

The newspaper reported that Moscow is to abandon participation in a decades-old program with the United States aimed at dismantling weapons of mass destruction. The paper reported sources in the U.S. State Department as saying Russia is no longer interested in the Nunn-Lugar program which dates back to the early 1990's and helped decommission scores of nuclear, biological and chemical weapons after the collapse of the Soviet Union.

Murdock, who is in a dead heat race with Democrat Joe Donnelly, has rarely discussed the Nunn-Lugar program.

Lugar reacted to the report, telling the Wall Street Journal that the Russians expressed an interest in further cooperation last August. "At no time did officials indicate that, at this stage of negotiations, they were intent on ending it, only amending it," Lugar said.

The program began after Sen. Sam Nunn, D-Ga., was in Moscow as the Soviet Union collapsed in 1991 and was approached by Soviet defense officials and scientists alarmed over the potential security problems with its massive nuclear, chemical and biological weapon stockpiles. Nunn reached out to Lugar and the two convinced a skeptical Congress and President George H.W. Bush to pass and sign the Nunn-Lugar program.

The Nunn-Lugar scorecard now totals 7,527 strategic nuclear warheads deactivated, 774 intercontinental ballistic missiles (ICBMs) destroyed, 498 ICBM silos eliminated, 156 ICBM mobile launchers destroyed, 651 submarine-launched ballistic missiles (SLBMs) eliminated, 476 SLBM launchers eliminated, 32 nuclear submarines capable of launching ballistic missiles destroyed, 155 bombers eliminated, 906 nuclear air-to-surface missiles (ASMs) destroyed, 194 nuclear test tunnels eliminated, 471 nuclear

weapons transport train shipments secured, upgraded security at 24 nuclear weapons storage sites, and 20 biological monitoring stations built and equipped.

David Hoffman, author of the Pulitzer Prize winning book "The Dead Hand: The Story of the Cold War Arms Race and its Dangerous Legacy," observed that the Nunn-Lugar program was a gamble that paid off.

"The world is safer for their vision and determination," Hoffman wrote. "It was also a bargain. The yearly cost for all facets of Nunn-Lugar was about \$1.4 billion, a tiny sliver of the annual Pentagon budget of more than \$530 billion."

Hoffman told HPI today, "I think this is not related to Lugar's loss, not directly. It is much more likely related to Putin's return to the presidency. Recall that just a few weeks ago, he threw out USAID. Basically, Russia is no longer the basket case it was 20 years ago; pride and humiliation play a role here, and Putin is trying to reassert himself at a time when there have been large-scale protests in the streets."

Hoffman noted that Lugar sought an extension of the program when he visited Russia last August. "Had he remained in the Senate, there would certainly be a force for the program that will now be absent," Hoffman said. "I think it is also possible that some kind of more limited agreement will be negotiated in place of this. While Nunn-Lugar was incred-

ibly important at the time it was enacted and carried out in the 1990s, I do think the Russians have a point here, that they don't need the money and can do it by themselves. The real question is, will they?"

There is still more to be accomplished in Russia. Only 82% of Russia's 13,300 warheads have been deactivated, just 53% of its ICBM mobile launchers have been destroyed and, most importantly, only 63% of biological monitoring stations have been built and equipped. These stations are keys in keeping biological weapons from leaving Russia via smuggling routes in the Black Sea region.

Kenneth A. Myers, a former Lugar Senate aide who now heads the Pentagon's Defense Threat Reduction Agency (DTRA), said in November 2011, "I'll tell you one of the reasons this country has not had to deal with a nuclear weapon is because of programs such as this. Going to the source, working with willing partners – this is not unwilling cooperation, we don't go in and impose our will – we work in cooperative ways. Without efforts like this we will not have ways to solve these problems. The lines of commu-





nication we have established, this really is about personal diplomacy. To succeed, we need the people in the field who go to work every day, but we need the leaders who go out and establish the relationships.”

Myers said there is no obvious member of Congress prepared to pick up Lugar’s mantle after he leaves in December. Lugar is expected to stay engaged after he leaves Congress. He is negotiating with the German Marshall Fund, an entity that fosters trans-Atlantic cooperation.

In a January 2010 speech to the Conference on Strategic Weapons in the 21st Century, Lugar said, “The Nunn-Lugar program is well positioned to enter a new

phase of global security engagement,” Lugar said. “Nunn-Lugar now has more flexibility to meet unexpected threats in locations around the world. It has the authority to spend up to 10 percent of annual Nunn-Lugar program funds notwithstanding any other law. The secretary of defense has the authority to accept funds from foreign governments and other entities to contribute to activities carried out under Nunn-Lugar.”

U.S. officials told Kommersant that their Russian counterparts informed them during a recent meeting that Moscow no longer needs the financial assistance, emphasizing instead the importance of guarding state secrets. ❖

This election could turn on lags

By **MORTON J. MARCUS**

INDIANAPOLIS - In most economic matters there are information/action lags. Between the announcement of unemployment rates and the acceptance of what those rates mean, there is a lag. Between entering a store and examining the merchandise, there is a lag. Good retailers work hard to attract the customer quickly and direct that attention to the goods the customer is most likely to buy.

Politicians use or fight the lag according to their needs.

A sales person approaches you and says, “May I help you?” The question is intended to reduce the time between your entry and when you start to examine the goods you want. Other stores leave you to wander, using signs and scents to direct your attention to goods you might not have considered before entering the store. It is a vital exercise in providing information to and



getting information from the consumer.

Technology has done wonders in speeding up information flows and reducing the costs of those flows. The cell phone in your pocket replaces those bulky yellow pages and reduces the lag between information and action.

Reducing lags often leads to advances in economics. Improved transportation/logistical systems reduce the lag between factories and consumers. Inventory control systems and the Internet have played important lag reduction roles. When you click that catalogue item on your screen, a whole series of actions are set in motion to get the item to you promptly and to ensure that another unit is ready for the next customer.

Information, however, does not necessarily imply action. Look at the different interpretations of monthly state and national unemployment rates. Here the numbers are announced by the Bureau of Labor Statistics and the Indiana Department of Workforce Development. Most recently Indiana’s unemployment rate rose and the nation’s rate fell.

It was fun to hear analysts of a GOP persuasion minimize the reported changes while their Dem counterparts were ready to swear by the eternal truths being revealed.

Most people do not have their views of the economy changed easily. This public assessment lag may be as long as six or more months. Politicians will do whatever they can to shorten or lengthen that lag to their advantage. In the next few weeks, Dems will try to convince voters that the latest unemployment data are clear signals of economic progress; GOP speakers will try to deny the significance of monthly numbers.

Lags in handling bad news are generally more serious than a lag in responding to good news. When the fire bell rings, we want fast response. When the mail arrives, we may have ambiguous feelings about opening the box.

A lag between bad economic news and the public’s hesitancy to urge action often dampens the effectiveness of public policies. Everyone may know something is wrong, but it takes time to figure out what to do about it. Even when a policy is approved, it will take time to put that policy into motion.

Although I will not encourage knee-jerk reactions to any economic news, long lags definitely reflect both our current political gridlock and a general ignorance about economic behavior. Today we may not respond to good news because of our hesitancy to believe positive change has actually occurred. ❖

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



Not all candidates are created equal

By **JACK COLWELL**

SOUTH BEND - These truths about candidates should be self-evident: Not All Democrats are created equal. Nor are all Republicans.

But the creators of the candidate images present a different "truth" in those ubiquitous political TV commercials.



Millions of dollars from conservative super PACs flow now into Indiana to convince voters that all Democrats are equal, equally bad: A Democrat is a Democrat is a Democrat, whether named Joe Donnelly or Barack Obama or Nancy Pelosi.

The goal is to convince Hoosiers who dislike or at least disagree with the president and/or the former House speaker that Donnelly, the Democratic nominee for the Senate, is equal to Obama

and Pelosi - and probably even Barney Frank - in pursuit of a "liberal agenda."

Donnelly, a moderate Democratic congressman, often has broken with the House Democratic leadership and with the president to join with conservatives on fiscal matters.

Nonpartisan congressional vote analysts calculate that Donnelly opposed the president more than 30 percent of the time and broke with his party more than all but six other Democrats in the House.

He was admonished personally by President Obama for voting against the Cap and Trade environmental bill.

But wait.

Lest anybody assume this attack of all-created-equal, equally bad, is a weapon used only by Republicans, take a look at Massachusetts.

Sen. Scott Brown, a Republican moderate, is attacked by Democrats in that Democratic-tending state on the theme that a Republican is a Republican is a Republican, whether named Scott Brown or Paul Ryan or Mitt Romney - or probably even Todd "legitimate rape" Akin. The all-created-equal TV ads aren't all attacks on moderates. They can be appeals to moderates.

In Indiana, Donnelly's Republican opponent, Tea Party favorite Richard Mourdock, is no moderate. He has called for even less bipartisanship in Congress. Ads sup-

porting him and aimed at moderate Republicans who admire Sen. Dick Lugar, the man Mourdock savaged and defeated in the Republican primary, have this theme: A Republican is a Republican is a Republican, and all are equally good, whether named Mourdock or Lugar.

By the way, after Lugar's name came up in a the latest Senate debate in Massachusetts, he issued a strong endorsement of Brown, citing Brown's vote to confirm a nuclear arms treaty with Russia - supported by President Obama and Lugar - and saying Brown can be counted on to "rise above the partisanship and do the right thing."

Lugar wouldn't say the same about Mourdock. Couldn't say that about the "my way or the highway" guy. Lugar says he will vote for Mourdock, just not campaign or him. That says a lot.

Negative ads seeking to convince voters that there's not a dime's worth of difference between Donnelly and evil liberals or between Brown and evil right-wingers, cite selected votes. Nothing wrong with citing specific votes. Except where a vote or two are used to define a whole career or are described in misleading ways in a quickie TV hit ad.

Again, don't assume one party or the other has a monopoly on being misleading.

Attacks on Donnelly cite his vote for the Affordable Care Act, alias "Obamacare," and support for efforts to bail out the economy as it hovered on the brink. He did vote that way.

Voters who find no redeeming parts of the Affordable Care Act and regard it imperative to throw out the whole thing, certainly are not likely to vote for Donnelly. They won't believe he wants to amend and improve it and don't need any TV spot to convince them to vote instead for the Tea Party choice.

The attack on "bailouts" is a little more tricky for the Mourdock side.

Murdock, as state treasurer, sought to kill the auto recovery effort. Donnelly and Lugar, citing jobs at stake in Indiana, especially with Chrysler, supported the effort to save the American auto industry.

This just in: Auto sales highest in four years. Chrysler sales up 11.5 percent from the prior September. Also, in manufacturing jobs added in 2012, states with auto-related industry ranked high: Ohio, second; Indiana, third; Michigan, fourth.

Not All Republicans are created equal. Nor are all Democrats.

And that's why so many voters split their ballots these days, despite TV ads claiming that all candidates of one party or the other are all wrong or all right.

Neither party has a ticket with all candidates created equal. ❖



Politics from the pulpit

By **RICH JAMES**

MERRILLVILLE – Talk about politics in the pulpit. Or at least an effort to merge the two.

The fundamentalist Fairhaven Baptist Church in Porter County held its annual “I Love America Sunday” last weekend. It is about as close as one can come to endorsing candidates from the pulpit without actually doing so. A bunch of politicians showed up hoping to get the blessing of Fairhaven folks somewhere down the road. It is a large and powerful church.



State Sen. Ed Charbonneau, R-Valparaiso, was the most prominent elected official on hand. Republican Joel Phelps, who has virtually no chance of beating U.S. Rep. Peter Visclosky, D-Merrillville, led a group of GOP wannabes.

The last thing you would find at Fairhaven is a Democrat because, well, because those who attend Fairhaven reportedly have never voted for a Democrat.

Fairhaven Pastor Roger Voegtlin said the “I love America Sunday” is different from Pulpit

Freedom Sunday, which is a national movement seeking to restore the right of pastors to endorse political candidates and still keep their tax exempt status.

Oh, I forgot to mention that Republican U.S. Senate candidate Richard Mourdock was on hand looking for a splash of Fairhaven holy water.

He got some according to the Times of Northwest Indiana.

Voegtlin praised Mourdock for his efforts to help restore America. And he encouraged his congregation to vote next month.

Does that put politics in the pulpit? It’s your call. What I wonder is why the need to have a “I Love America Sunday.” And why the need to invite elected officials and candidates.

Most of us love America every day of the week. Speaking of politics in the pulpit, Ron Johnson, the pastor at Livingstones Church in Crown Point, is running for state representative District 19 against incumbent Democrat Shelli VanDenburgh. Johnson ran in 2000 and lost to then-incumbent Robert Kuzman.

Johnson is one of the national leaders of the Pulpit Initiative, an effort to do away with separation of church and state.

In other words, pastors could endorse candidates

from the pulpit, and I suppose condemn those parishioners who didn’t fall in line.

But I guess I misspoke about Johnson. According to his campaign literature and Web site, he isn’t just Ron Johnson, but Dr. Ron Johnson. It doesn’t mean he can cure the common cold, but he likely can give one heck of a sermon.

Johnson has a Doctor of Ministry degree, which is like the Ph.d you will find behind the names of many educators.

It has always bothered me that those with a doctorate degree are bent on putting Dr. in front of their names.

I’m not sure if it is an effort to make the people think they are medical doctors, or simply to say I went to college longer than you did.

The reality of the situation is that having a doctorate degree doesn’t mean you would make a better state representative than the next guy.

Another who has always flaunted the doctorate degree is state Rep. Vernon Smith, D-Gary. Smith got a doctorate in education.

Let’s get Dr. off the campaign signs and politics out of the pulpit. Holding proposed legislation up to church review is dangerously wrong. Just as it is wrong to promote marriage by requiring a family impact statement for state regulations, as Republican gubernatorial candidate Mike Pence wants to do.

* * *

Indicting public officials within a month of an election is something that rarely happens. It’s always been kind of a no-no. But a week ago, three sitting elected officials – all Democrats – were indicted by the feds. Two former public service officials also were indicted, as well as David Johnson, the owner of Dave’s Tree Service in Munster.

Hammond Councilman Al Salinas was charged with failing to file tax returns from 2006 to 2009 and accepting a bribe for directing tree work to Johnson. Virlyssa Crenshaw, a former Merrillville Town Court clerk, was charged with theft from the court and filing a false income tax return.

Gary Councilwoman Marilyn Krusas was charged with failing to file tax returns since 1991 and failure to pay taxes on a \$232,000 inheritance she received in 2009. Juda Parks, an East Chicago councilman and police officer, is charged with failure to file income tax returns from 2008 and 2009. And finally, former East Chicago Public Library Director Manuel Montalvo is charged with two counts of filing false income tax returns.

It was a sad day for Lake County, The only solace for Lake County Democrats is that the majority of the charges involved a violation of federal income tax laws, not a violation of the public trust.

Solace, but not much. ❖



Maureen Hayden, CHNI: You may be hearing a lot more about the “American dream” from Republicans in the Indiana Statehouse in coming months. Last week, Republican House Speaker Brian Bosma — confident that the GOP will continue to control the Statehouse after the November election — called a press conference to announce his caucus’ legislative agenda for 2013. He gave the plan a theme: “Own Your American Dream.” It’s about jobs and education and a balanced state budget. It lacks legislative detail but it’s aspirational. “It is every parent’s hope that their children will be better off than their own generation,” Bosma said, after telling a story about his immigrant ancestors who came to the U.S. in 1908 with little more than a dream. “But for the first time in history,” he continued, “the majority of Americans believe that the next generation will not enjoy a quality of life better than their parents.” His lofty words were mostly lost on his immediate audience. Reporters who covered the event, myself included, latched on instead to his comments about social issues that may crowd the GOP agenda, including a pending constitutional amendment prohibiting gay marriage and civil unions. (No American dream for same-sex couples?) That, and the declaration of independence he made on behalf of the legislature when he questioned whether a big tax cut promised by his own party’s front-running candidate for governor, Mike Pence, would make it through the legislative budget process. (Ditto for Democrat John Gregg’s tax-cut plan.) “Our team has a long-term vision, not a campaign-oriented vision, for how we budget,” Bosma said. Bosma wanted us to pay more attention to the plan, which pledges action to create better-paying jobs and expand and improve educational opportunities for Hoosiers. Those are good goals. Because while Bosma called Indiana the “envy of every state in the nation” for ending up with a state budget surplus after some tough budget-cutting years, he knows that envy has a limit. In per capita personal income — a measure that reflects the average income of state residents and is used to measure prosperity — Indiana ranks in the bottom 10 of all states. We’ve slid down there in the last decade. Collectively, we Hoosiers have less of the American dream than we once did. What does it take to reverse the slide? The answer is simple: A better-educated workforce, which leads to better-paying jobs. Getting to that answer is the hard part, of course. Indiana ranks in bottom 10 states for college attainment. We’re also in the bottom 10 states for the number of children attending early education programs. The Republicans’ “American dream” plan calls for, among other things, promoting early childhood education and increasing accessibility to higher education. The devil will be in the details. What does “promote” mean? No definitive word yet on that. It could mean expanding the



state’s controversial voucher program that uses tax dollars to pay for tuition in private schools. And how do you increase access to higher education when the high cost of college these days means massive student loan debt? I like the American dream. I’m here because my starving Irish Catholic ancestors and my oppressed Russian Jewish ancestors were offered access to it. And jobs and education were their tickets to realizing it. ❖

Major Garrett, National Journal: Rattled, dismayed, and shaken, President Obama’s national campaign is divided into two camps: impassive warhorses and anxiety-ridden newbies. The battle-scarred operatives have been doing nonstop psychic triage since the first presidential debate, calming nerves and reassuring the shaken that campaigns have their ups and downs. “This is the first time in this entire campaign some of the new people have seen a bad run,” said a senior Obama strategist. “The veterans are telling them they need to ride it out.” That became a bit easier around noon on Wednesday when the first patch of internal polls came back from key swing states. They revealed that Obama was not in free fall, as some feared, but that his support has returned to where it was in July and August. “Voters haven’t switched from us to him,” the strategist said, referring to GOP nominee Mitt Romney. “But they are giving him a second look. They are thinking about him again. The question is, can he [Romney] close the deal.” ❖

William Nangle, NWI Times: This column will not help my popularity. That’s because I am calling for an increase in taxes in Lake County. Considering the Lake County Council last week adopted a balanced \$107 million budget, it might seem folly to suggest taxpayers fork over more money to support government in a county noted for corruption and politics. Well, I guess I have to agree with that view, but only to a point. You see, the balanced budget talk might only be so much thin air. Already, the council is indicating it will have to borrow as much as \$15 million to cover expenses beyond the budget. Lake County for years has held out on adopting a local option income tax. It has done so even though 91 of Indiana’s 92 counties have adopted the tax as a way to increase revenues without adding to the property tax burden. The County Council’s refusal to adopt the tax led the legislature to cap property taxes in Lake County, impacting not only the county but every municipality within the county’s boundaries. To me it proves again that Lake County government leaders are more interested in doing the politically palatable thing than following the principles of good government.

❖



Big stakes in veep debate

DANVILLE, Ky. - With the Republicans grabbing the momentum in a shifting White House race, Vice President Joe Biden will look to recover some ground and ease Democratic worries on Thursday in a high-stakes debate against Republican challenger Paul Ryan (Reuters). Mitt Romney's steady climb in polls since President Barack Obama's poor performance in last week's first debate has raised the importance of the vice presidential showdown, which is rarely a critical event in White House campaigns. This time it comes at a critical juncture, with Romney enjoying one of his best weeks of the campaign and Obama suffering the fallout from his passive performance four weeks before the November 6 election. "This has turned into a legitimate high-stakes debate because the ground has shifted so profoundly on the Democrats," said Cal Jillson, a political scientist at Southern Methodist University in Texas. "Biden at least has to hold his own so panic doesn't set in for Democrats," he said. "They don't want to lose two in a row." Biden and Ryan, the Republican chairman of the House Budget Committee, meet at 9 p.m. EDT in the nationally televised debate from Centre College in Danville, Kentucky. Romney and Republicans have been on a roll since last week's first debate, which came just as Obama appeared to be taking command of the race. A Reuters/Ipsos online poll on Wednesday showed Romney taking his first lead over Obama in more than a month, 45 percent to 44 percent. It was one of several national polls showing the debate helped Romney significantly improve his personal image and his standing



on key issues like handling the economy, as well as bolster his standing in key swing states that will decide the election. Democrats have accused Romney of shifting or misrepresenting his positions on issues during and after the debate. Biden is expected to be more confrontational than Obama in an encounter that will include both domestic and foreign policy issues.

Weekly jobless claims plummet

WASHINGTON - Weekly jobless claims fell to their lowest level in four years, while the U.S. trade deficit widened and import prices rose more than expected, according to economic numbers released Thursday (CNBC). The number of Americans seeking unemployment aid plummeted to 339,000 last week, the lowest level in more than four years. The sharp drop offered a hopeful sign that the job market could pick up. The Labor Department said weekly applications fell by 30,000 to the lowest level since February 2008. The four-week average, a less volatile measure, dropped by 11,500 to 364,000, a six-month low. Applications are a proxy for layoffs. When they consistently drop below 375,000, it suggests that hiring is strong enough to lower the unemployment rate. The decline adds to other evidence that hiring is improving. Last week's jobs report showed the unemployment rate fell to 7.8 percent, the first time it has fallen below 8 percent since January 2009.

New bicentennial plate announced

INDIANAPOLIS — The new Indiana license plate that will go on

millions of vehicles could be paying tribute to the state's upcoming bicentennial. Lt. Gov. Becky Skillman and former Congressman Lee Hamilton are co-chairmen of the Indiana Bicentennial Commission. They are scheduled to unveil the state's new standard license plate during an event Thursday at the Indiana Historical Society's headquarters in Indianapolis. The bicentennial commission is organizing activities to celebrate the 200th anniversary of when Indiana was granted statehood in 1816. The new plate design will replace the current standard auto tag introduced in 2008 that features the state flag's torch and stars on a blue background.



Christie, Mourdock to watch debate

MERRILLVILLE - Region Republicans can watch a live broadcast of the South Bend gubernatorial debate prior to New Jersey Gov. Chris Christie's rally Wednesday in Merrillville supporting Indiana U.S. Senate candidate Richard Mourdock. Debate viewing and the rally will both be in the Radisson Hotel at Star Plaza, 800 E. 81st Ave. Refreshments will be served. Doors for the events will open at 5:45 p.m. The one-hour debate broadcast begins at 6. Mourdock and Christie are scheduled to speak at 7. Admission is free, but registration on Mourdock's campaign website at richardmourdock.com/christie is required to attend.