



Democrats unite as jobs issue emerges

Gregg, Pence spar on jobs in first skirmish in 2016 governor's race

By **BRIAN A. HOWEY**

FRENCH LICK — For the first time in half a decade, the stars seem to be aligning for the super minority Indiana Democrats. In John Gregg, they have a pending standard bearer who has learned the lessons from what is now seen as a heart-breaking loss to Gov. Mike Pence in 2012.

His early gubernatorial rivals in Supt. Glenda Ritz and State Sen. Karen Tallian fell by the wayside in a span of two weeks, and have coalesced around the former speaker. There is some talk of an alternative, but other than Tom Sugar, no other credible candidate is emerging. Judge Lorenzo Arredondo gives the party a conspicuous Latino presence in the attorney general race as Republican presidential contenders Donald Trump,



Democrats John Gregg and Supt. Glenda Ritz embrace in French Lick after the Orange County Jefferson-Jackson Dinner Friday night. (HPI Photo by Brian A. Howey)

Scott Walker and Ted Cruz have launched broadsides at the most potent emerging demographic.

As for a possible Gregg-Tallian unity ticket, Gregg told Howey Politics Indiana on Saturday morning, "We've talked," without going into any further detail. Some 800 Democrats attended the Indiana Democratic Editorial Association session last weekend and the general atmosphere was the most optimistic since Evan Bayh bolted the ticket in 2010,

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Trump is no conservative

By **MARK SOUDER**

FORT WAYNE – Donald Trump is no conservative in philosophy or temperament. He is no populist either.

Like the equally pompous bully, William Randolph Hearst, Trump is a rich phony who loves power. True populists rise up from among groups of similar people with grievances, ranging from railroad rates to whiskey taxes, alcohol abuse to anger at eastern bankers.



Trump is a billionaire who bilks gullible people out of their money, builds residential towers for millionaires, and represents a lifestyle true grassroots populists have hated since America's founding. Andrew Jackson probably would have



“I have 100% interest in what I’m doing now and zero interest in any other. I don’t have to slam the door shut because it was never open.”

- Eric Holcomb, denying rumors he would leave the Senate race for 4th CD



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challenged him to a duel, in which he was proficient.

Trump is no Ross Perot either. Perot had his inconsistencies (his company was heavily dependent upon government contracts) but he used charts, graphs and detailed presentations. He treated things seriously. He often was wrong but at least he tried to understand and knew it was complicated. About the only thing Trump has in common with Perot is that if he runs for president as an independent, he likely will elect another Clinton and possibly spoil another potential Bush presidency.

Trump is a variation of Huey Long. The Kingfisher, as Long was called, was basically dictator of Louisiana for many years. He wanted to be president. Had he done so, FDR would have gone down in history as a conservative. Long's version of a balance of power was to consider at least three points of view: What he thought in the morning, what he thought at midday, and what he thought at night.

The authoritarian tendency in all parts of life is strong. Some people, like Donald Trump, are so rich that they can try to control their environments ("You're fired"). Their money can bully or "buy off" people, including their own family and former family, to a point. Some churches and social organizations will cave if the greenbacks are enough. Even politicians can be for sale, as Trump likes to claim but never verifies. Trump's answers suddenly turn, well, "political" when asked. He knows that if he ever did "buy" a politician that the politician would go to jail, and possibly Trump for bribing him. It is not "telling it like it is" but rather, he is lying. No exaggeration, he lies.

But the politician he is most similar to in approach is George Wallace, though that is a bit unfair to Wallace. The Alabama governor was also a political chameleon, but was an actual populist rather than a rich boy pretending to be one. In 1968, when Wallace ran for president, we conservative Republicans had a line that went like this: "When George Wallace

was a judge, he felt the courts should solve all the problems. When he went to the legislature, he wanted all power at the legislature. When he became governor, he wanted all the power with the governor. When he becomes president, he will want all the power to go there." George Wallace wanted power to enforce his will on everyone else.

George Wallace also appealed to racial bigotry as does Trump. Wallace used black people as his bogeyman; Trump uses brown people. Trump is more "politically correct" than Wallace (or other true populists; Trump picks his "off the cuff" remarks for impact). Trump recently had blacks included at his rally (his enemy is brown, not black) and probably likes to say he has Mexican friends or has met some. But Trump is a person who gives even "tokenism" a bad name. He is not subtle in how he uses race-baiting.

None of Trump's immigration ideas is new but he has bundled responsible ones he's stolen (e.g. e-verify, strengthening the border), exaggerated ones ("build a wall"), and lies (make Mexico pay for it) with extremist proposals to remove all of those who came here illegally and a reduction in legal immigration quotas (both regular and H1-B visas). In other words, the same old tired racial blaming that has been tried in so many civilizations for hundreds of years. Blame people of other colors, ethnic heritage, and religions for your own problems.

It disturbs me that so many self-described conservatives have seemingly bought into Trump as a solution. First of all, he's a liberal Democrat not a conservative Republican. His wealth and some issues have currently pragmatically tilted him toward some conservative positions, but there is no philosophical underpinning to his views. Like other "centralized control" freaks, Trump doesn't like Obamacare because he thinks competition is inefficient. He has long supported single-payer systems, and held up such models even recently. Why? It is like

one businessman once told me: It would be a lot simpler, less confusing, if the government just made all computers use Microsoft for everything.

In other words, it isn't more competition that Trump wanted, it was less. He desired a more socialistic position than Obamacare. Now he's trying to re-create his history to sound better in a Republican primary because, ironically, he's behaving like he claims politicians behave who re-shape their views to win elections. Trump re-writes his history daily.

And how can Christians possibly back him? Christ talked about kindness and love, not anger. He preached mercy and caring for the downtrodden. A recent article about developing the Time magazine Trump cover picture captured his essence when it noted that Trump always insists on being photographed one way. He insists upon the angry glare.



He's no sheep in wolf clothing. He's a wolf in wolf clothing.

The Republican Party and the conservative movement have always held a wide variety of views. Growing up in Young Americans for Freedom I was a traditionalist conservative, opposite the libertarians. But the truth is, most conservatives were "fusionists," a term coined by Frank Meyer and promoted by William F. Buckley. We emphasized different parts of conservatism, but we all shared a bit of most basic principles. For example, purist libertarian Ron Paul and I weekly battled on the House floor about illegal narcotics. We disagreed on the Iraq War strategy. Paul had been against Ronald Reagan as being too statist, and crony capitalist for that matter. But, ironically, the only person to ever publicly call me a libertarian was Ron Paul. At a press conference no less. Just after I said I was no libertarian, Paul said "Yes, he actually is."

I understand his comment more now. What he

meant was this. Conservatives believe in what the Founding Fathers created, a balanced government of laws. We don't believe in a king, or mass emotional populism. We believe in courts, Congress and the presidency, not just one of them. We believe in states making decisions – state governors, legislators, courts – as well. And in local governments, courts, legislators, mayors. The balance of powers protects personal freedom the most. We don't believe in one person saying "I will, I will, I will." It makes our skin crawl.

Donald Trump is an "I will" guy. He wants to go it alone. He feels presidents are weak when they don't just make Congress, the courts, the states and local governments bow down to the president's will.

Personally, I prefer the words of the priest in the movie "Rudy." Rudy was frustrated. The priest replied: "In all my years of ministry, I have learned two things. There is a God, and I am not him." Conservatives have always believed in fighting for our views, which in my

personal view are closest to what God would prefer we do in government or I wouldn't back them. But I understand, though it can be terribly frustrating, that we must persuade others to win. Our system requires give and take. It requires change to move more slowly, in case we are wrong. Yes, it is frustrating much of the time. But the totalitarian impulse is worse.

Many people in America, probably most, are angry about something. In fact, they are angry about different things and want opposite solutions. Anger is not a unifying policy trait. America desperately needs change, but this mean-spirited hate must disappear from serious candidates or the life of our free nation rooted in the balance of power will become brutish, nasty and short. ❖

Souder is a former Republican congressman from Fort Wayne.

Democrats, from page 1

setting up the historic slide that forged Republican super majorities and the crippling policy poundings on unions and educators in the ensuing years.

In Gov. Pence, there is the sense of a politically damaged chief executive, facing some daunting policy options with the expected revival of a state civil rights expansion that could further splinter an already fissured GOP. The I-65 closure is another painful situation that brings more collateral damage every day the traffic jams occur on the dangerous detour routes. Gregg's 2012 prediction of Republican over-reach, coming in the social policy area, and the Religious Freedom Restoration Act fiasco that

came after Pence assiduously sought to avoid such wedge issues three years ago, are gigantic chickens seeking a roosting spot at bicentennial polling booths.

"John can win," declared U.S. Sen. Joe Donnelly at the Orange County Jefferson-Jackson Dinner Friday night.

It goes beyond the gubernatorial race. Republicans are facing a potentially divisive three-way or four-way U.S. Senate race with no clear frontrunner. On the presidential front, nothing short of the proverbial clown car show dominated by Trump has completely derailed any early notion of conventional wisdom.

There is a credible congressional race shaping up in the open 9th CD, where Shelli Yoder is gearing up with endorsements from two potential opponents, though

Democrats have yet to recruit candidates to challenge U.S. Rep. Jackie Walorski in the 2nd CD and Larry Buchson in the not-so-bloody 8th. Democratic legislative candidates are beginning to announce, from former state senator Linda Henderson in the open SD44 vacated by State Sen. Brent Steele, to Karen Biernacki in the now open HD20 being vacated by State Rep. Tom Dermody. There will likely be rematches in HD12 (Mara Reardon v. Rep. William Fine), HD19 where Shelli VanDenburgh will challenge State Rep. Julie Olthoff and in HD21 where Jodi Buoscio will challenge RFRA author Rep. Timothy Wesco. Former senator Tim Skinner is preparing a challenge to State Rep. Alan Morrison, who won a razor-thin race in 2014.



So that's where things stand on paper at this early point.

However (you had to know that was coming), there's a towering threshold facing Indiana Democrats. They have to continue to recruit. They have to raise money. They have to burnish the pocketbook issues that they neglected in 2012 and 2014 that allowed GOP majorities to grow. They have to hope that if expected presidential nominee Hillary Clinton collapses after a fumbling half year of a campaign, that Vice President Joe Biden can rise to the occasion or Sen. Bernie Sanders can make being the first Socialist president palatable. Asked about his thoughts of Clinton, Indianapolis Democratic mayoral nominee Joe Hogsett told HPI that he is "nervous."

Hoosier Democrats hope that the turmoil persists in the GOP presidential race, though the history of the turn-of-the-century Republican Party is that after a series of "flavors of the month" and unseemly embarrassments, Trump finally collapses, and the party opts for the "safe" choice (i.e. the Bush41 and 43, Bob Dole in 1996, John McCain in 2008 and Mitt Romney in 2012).

The jobs skirmish line

The first telltales of the coming gubernatorial war were evident on SR150 between Paoli and West Baden, at the tiny hamlet of Prospect. Campaign signs reading "Fire Mike Pence" and "Hire John Gregg" greeted IDEA participants and candidates who motored in. That included Senate hopefuls Baron Hill and John Dickerson, and Bayh himself, on hand to rally forces for his matron, Hillary Clinton. The early skirmish line was clearly jobs, personalized and aimed at Gov. Pence.

But on this Friday, the Pence administration heralded new July job numbers with the unemployment rate at 4.7% and 59,800 jobs added in 2015. Various Pence surrogates underscored the historic employment level. The Republican Governor's Association, still rumored to be planning to pump in \$5 million this cycle, observed on Tuesday, "Governor Mike Pence's pro-jobs policies continue to achieve impressive results for Indiana. The latest job numbers show the state's unemployment rate fell to 4.7% in July, its lowest point since November 2007. And now, more Hoosiers are employed in the private sector than at any other time in the state's history, breaking the record last set in March 2000."

Gregg made it clear that his likely rematch with Pence would be about jobs, and the kind of jobs that can sustain a modern Hoosier family in a state where per-capita income has fallen precipitously

over the past few decades. In 2015, Indiana per-capita income was \$38,812 per person, compared with \$44,543 for the nation. Indiana ranked 38th in 2015, down from 30th in 1980 and 21st in 1950.

Speaking before a packed Orange County Jefferson-Jackson Dinner, Gregg said he watched Pence on television about three months ago with a Western Indiana jobs announcement. "He was bragging there were going to be jobs in Terre Haute," Gregg said. "There would be 180 jobs that would pay \$11.80 an hour. Now I'm watching with my mother, who is 84. My mother said, 'Wow, that's a lot of money.' Now I said, 'Mom, let's make that \$12 and multiply it by 40.' She said, '\$480.' I said round it to \$500, now multiply that by 52, and she said, 'That's only a little more than \$25,000. How do you raise a family on that?'"

"And I say, exactly," Gregg said. "Those jobs are going to come and I'm going to be glad they're here, but we're going to look forward to the day when I'm standing up and instead of saying there will be 180 jobs at \$11.80 an hour, I'd just stand up and say we've got 100 jobs at \$70,000 a year. How about that? That's what we need," Gregg said as applause overtook the room.

"We can do that by preparing our students for the future, working in advanced manufacturing, logistics and life sciences and advanced agriculture," Gregg said.

Pence will spar on jobs issue

Earlier Friday, Pence called the "record high private sector jobs" an "achievement that belongs to the hard-working people of Indiana and to the businesses large and small, whose hard work and ingenuity achieved this historic milestone." He said his administration has "made job creation job one and aimed to get more Hoosiers working than ever before by 2016. ... We cut taxes for working

families and job creators. We cut government red tape. We signed honestly balanced budgets that hold the line on spending while making significant investments in education, infrastructure and our workforce."

Speaking to the Indiana Economic Development Corporation on Wednesday in Indianapolis, Pence gave a forceful defense of his record on jobs. He said that from the first days of his administration, the benchmark was to surpass the private sector jobs record, which occurred last week. "I think every Hoosier should celebrate that," he said.

He cited the recent announcement of Hoist Lift Truck bringing 500 jobs to East Chicago. "I'm looking forward to that groundbreaking in Lake County in a few weeks," Pence said. "Hoist Lift Truck is going to become an Indiana company."

Pence announced he would lead a trade mission to Japan on Sept. 11-18. He talked of setting investment records in each of his first two years and "we're on pace for another," he said, adding that 200 companies are planning to make \$3 billion in investments. "They are good paying jobs above the state and national average."

Pence said that technology companies grew 17% in Central Indiana with "pay north of \$70,000 a year." He noted the General Electric Aviation facility coming to Lafayette, Alcoa's expansion in LaPorte, BAE Systems in Fort Wayne and Raytheon is bringing in operations from California. "So we're making great progress."

Finally, Pence urged IEDC members to spread the message. "What you can do is go out and tell that story."

The Gregg, Ritz team

On two specific jobs at stake in 2016, governor and state school superintendent, Gregg made clear that he and Supt. Glenda Ritz, who has repeatedly sparred with Pence while the General Assembly has cut into her portfolio, would be running as a team. "The first thing I'm going to do as governor is show decency and admiration for Glenda Ritz," he said as the room exploded in applause. "She is going to be my go-to person in education. Glenda and I have both decided that I want to be governor and she wants to be superintendent. But you know what? I don't want to be governor without Glenda Ritz as your state school superintendent, OK? I know she doesn't want to be superintendent with Mike Pence as governor."

Gregg's speech came as Ritz was seated in the Orange County crowd, the object of widespread love and affection. One more potential primary rival, former Bayh aide Tom Sugar, arrived in French Lick late Saturday afternoon.

While some sought to portray the Democratic nomination fight as fluid, unless Sugar can convince Bayh to part with \$2 million to \$3 million of his unprecedented war chest, it will be hard to derail the Gregg nomination.

Gregg also jabbed Pence over state road problems,



Gov. Pence addresses site selectors at Wednesday's Indiana Economic Development Corporation meeting at the Alexander Hotel in Indianapolis. (HPI Photo by Brian A. Howey)

most specifically the closure of I-65 at Lafayette. Democrats zero in on that as a lack of planning, while the Pence administration says the closure was caused by the construction crew destabilizing soil under the bridge. Gregg, however, sees an opportunity. "Four years ago our governor didn't talk about infrastructure. Mike Pence said he was going to put us on the map. He sure did. Good job, Mikey. It is just wrong for Indiana not to have a highway plan. The last four years, no highway plan, no bridge plan and that has caused an unsafe situation for men and women and families all across our state. Infrastructure is going to

be right up there with our education and our job creation."

Gregg urged Democrats to reach out to whom he called "Dick Lugar Republicans."

"We can win this, but folks, we've got to get Republican votes," Gregg said. "There are good Republicans out there. I call them Dick Lugar Republicans. They don't like how Glenda Ritz has been treated. They don't like one party controlling the legislature. They're worried about the infrastructure. Those are the people we have to reach out to. Talk to them. The best person who can help me is you. Talk to someone. When you leave here tonight, you just have to talk to at least one Republican before you go to bed Sunday night."

Challenges for Gregg and Pence

While Democrats smell blood in the water, the fact is that upsetting a sitting Hoosier governor is a tough, tough thing to accomplish. It happened to Democratic Gov. Joe Kernan in 2004, but that defeat came after Kernan had dropped out of the race two years prior, brought in only by the death of Gov. Frank O'Bannon. And it came at the hands of Mitch Daniels, arguably the greatest Hoosier political strategist and tactician in modern times.

A sitting Republican governor has never been defeated, with 1984 Democratic nominee Wayne Townsend coming closest after the brutal oil shock recession, though he came only within 5% of Gov. Robert Orr.

Pence will likely have access to between \$15 million and \$20 million, while Gregg will be fortunate if he can get into the \$10 million range.

The challenge for Gregg will be to run the kind

of campaign that Lt. Gov. Frank O'Bannon ran in 1996. That campaign was steeped in opposition research, built a great network, but the ultimate success was predicated on Mayor Stephen Goldsmith making a mistake, and that came with the late summer Meridian Street police brawl.

Gregg is going to have to keep raising money, stay disciplined and on message, listen to adviser Tom New, and be ready to exploit any Pence mistake.

While Pence is ready to engage on jobs, the governor faces some daunting challenges. The first is that his administration staff has virtually no room for the kind of embarrassing errors that have plagued his first term (i.e. the "JustIN' fiasco that eclipsed his greatest accomplishment, the HIP 2.0 approval from the Obama administration). Chief of Staff Jim Atterholt has to run the tightest ship. The evidence that this will be tough comes at this writing, as the media and Democrats are pounding the governor over the I-65 closure, and a legislative public health session where Dr. Jerome Adams, who heads the Indiana Department of Health, was a conspicuous and unexplained no-show.

The civil rights expansion scenario could make or break the Pence governorship. The RFRA "fix" alienated his evangelical base. One credible Republican source told HPI that a prominent Right to Life official wrote a \$1,000 check to the Mike Pence for Indiana campaign, tore the check up, put it in an envelope and sent it in. Fundamentalists such as Rev. Ron Johnson Jr., and Tea Party activist Monica Boyer were incensed that Pence "caved" on the RFRA fix.

If Pence tries to placate the evangelical wing of the party, he risks further alienating female voters and independents. Between September 2012 and the election, Howey/DePauw Indiana Battleground Polls and final election results found Pence losing 18% of the female vote. April Howey Politics Indiana Polling found by a 54-34% margin support for a civil rights expansion to include sexual orientation.

The challenge facing the governor – now – is how to get in front of this story, coming up with a compromise that would extend civil rights, but protect religious freedoms. He will have to be at his adroit best to come out of this chapter without further political damage. Timing could be key, with some urging Pence to take care of the issue during November's legislative Organization Day. Waiting for the General Assembly to convene makes it the "shiny object" that will dominant media coverage from January through March.

The potency of the civil rights issues has played out this spring and summer in some of the most conservative Republican bastions in Indiana - Martinsville, Elkhart, Goshen, Carmel - with family advocacy groups and figures such as Eric Miller challenging local Republican officials, and promising retribution for them and legislators by the mid-February filing deadline for 2016 if they deviate.

It is the classic sticky wicket.

Then there is the ticket. There could be a convention floor fight for the attorney general nomination among Steve Carter, State Sen. Randy Head, Elkhart Prosecutor Curtis Hill and, possibly, U.S. Rep. Todd Rokita.

But the other potential Republican fissure is the U.S. Senate race, where the economic and social wings of the party could be split between Eric Holcomb and U.S. Rep. Todd Young on the fiscal side, and U.S. Rep. Marlin Stutzman and potentially State Sen. Mike Delph on the social side.

A Delph candidacy would reopen the RFRA stitches, with the Carmel Republican on record for an entire RFRA repeal. If Stutzman sides with House Freedom Caucus Republicans who will push Speaker John Boehner for a government shutdown over one of Pence's pet issues, the defunding of Planned Parenthood, then wins the Senate nomination, another social issue becomes a general election battleground topic.



Democrat John Gregg poses for a photo with a supporter at the French Lick Springs Resort. (HPI Photo by Brian A. Howey)

Epilogue

The 2016 cycle here in Indiana is shaping up to be the most complex, divisive and wide open affair in modern history. Any credible forecasting at this point is impossible. There are too many moving parts in play, on too many platforms, whether it is an Elkhart City Council chamber, an October CNN debate stage, a Benghazi congressional hearing room, a civil rights debate on the Indiana House floor, or an Indiana Republican Convention floor fight. Man the battle stations, strap on your life vest and damn the torpedoes. As John Fogerty might put it, we're in for nasty weather.

GOP coming to French Lick

The Indiana Republican Party will host a grassroots political event Nov. 13-14 in French Link. Party Chairman Jeff Cardwell said Republicans from all local levels including precinct committeemen, county party officers and candidates across the state will merge at the Indiana Republican Party's Congress of Counties. The state party will offer specialized training workshops for participants on topics including campaign planning, fundraising, data and technology, and communications. A chili cook-off between Indiana's Republican U.S. Senate candidates is planned. ❖

Holcomb confident he'll have 'adequate' funds for his message

By **BRIAN A. HOWEY**

INDIANAPOLIS – The spinning rumor mill flips out mirages, like the one where U.S. Rep. Todd Rokita runs for attorney general, and a “soft landing” is created for Eric Holcomb to exit the Senate race for the 4th CD.

Holcomb has heard the rumors, and quickly puts them to rest. “Susan Brooks is my congresswoman,” Holcomb told Howey Politics Indiana over club sandwiches at The Old Point Tavern Wednesday afternoon. “The latest rumor is even more convoluted. I don’t live in the 4th. I have 100% interest in what I’m doing now and zero interest in any other. I don’t have to slam the door shut because it was never open.”

Driving the rumor was Holcomb reporting \$200,000 on the second quarter FEC report, well behind U.S. Reps. Todd Young and Marlin Stutzman. Holcomb said he has 12 fundraisers scheduled for September, including one at the Schererville home of Dan Dumezich. “I’m confident my campaign will be adequately funded. I am confident we will have the funds to get our message out,” he said.

While Stutzman is beholden to Club For Growth and \$1 million of coming bundled money, and Young is a Ways & Means money juggernaut, Holcomb has traveled in all 92 counties, logged 15,221 miles and shot hoops in 77 counties since he began in late March. He kicked off the campaign in Indianapolis and completes the first loop of the state when he does the Harrison County Lincoln Dinner in Corydon.

“This campaign will be won on Main Street, not K Street,” Holcomb said.

On Wednesday, the Fort Wayne Journal Gazette reported that Holcomb’s former boss, U.S. Sen. Dan Coats might endorse. “I said I wasn’t going to, and I haven’t,” Coats said. “I haven’t totally made the decision that under no

circumstances will I do this. I think there are people there with experience and capabilities. In the end, if it would make a difference, I might give that consideration. But right now I just think it should play out, let everybody speak who they are, where they are, where their support comes from and what they’d be like.”

Holcomb told HPI that he has not had a conversation with Coats about an endorsement.

Delph, PP defund sequences coming

As we head into Labor Day, two sequences will help define the U.S. Senate race. The first is whether State Sen. Mike Delph will enter the Republican fight. The second is how U.S. Rep. Marlin Stutzman handles the coming showdown on Planned Parenthood defunding, and whether a government shutdown occurs.

On the Delph scenario, his WRTV “This Week” interview with Rafael Sanchez on Sunday had some believing he won’t run. Delph was asked about giving up his current state Senate seat for the dysfunction in Washington and Delph responded, “My wife asks me about that.” Delph added that the “country is at a time when it will either rise or fall and there’s a sense of duty,” but added, “There may be other folks who can carry that message better than Mike Delph.”

As for a potential government shutdown over Planned Parenthood, Politico reported of a potential “explosive confrontation brewing” between House Speaker John Boehner and the House Freedom Caucus, of which Stutzman is a member. Politico reported that Boehner would prefer a series of “high profile” investigations. The Freedom Caucus sees the Sept. 30 deadline as an opportunity to strike Planned Parenthood.

Capitol Hill sources suggest to Howey Politics that leadership is likely to set up some mid-September votes to allow members to vent on the issue after spending most of August back in their districts. Waiting for a late September vote raises the stakes.

Stutzman has a mixed record on high-stakes government shutdown and he faces an internal dynamic of wanting to take the stance of an activist, which may collide with his longer term political ambitions. He must also follow the Club For Growth line of thought. The Stutzman campaign did not respond to our request for a comment.

Holcomb told HPI that he



Republican U.S. Senate candidate Eric Holcomb tells HPI he will have enough funds to get his message out. (HPI Photo by Brian A. Howey)

would not support a redux of what occurred in October 2013 when the government shut down for two weeks. "I hope it doesn't shut down," Holcomb said. "There are other ways to do it."

No Hill position on Iran deal

Former congressman Baron Hill and Democrat John Dickerson worked the IDEA convention at French Lick at different times over the weekend. Hill left before the Orange County Jefferson-Jackson Dinner, but Dickerson didn't show up for that event either.

Hill tells Howey Politics Indiana that he is still weighing the Iran nuclear deal, has consulted with former congressman Lee Hamilton, but has not reached a conclusion. "Iran must not be allowed to develop a nuclear weapon and all options should be on the table to make sure that does not happen," Hill said in a statement to HPI. "Israel is our strongest ally in the region and we must continue to stand with the Israeli people. As for the deal, I've been listening and meeting with lots of Hoosiers like Lee Hamilton, but I have not reached a formal decision."

9th CD: Dems unite with Yoder

Ninth CD Democrat Shelli Yoder picked up the support of two potential opponents in French Lick over the weekend. J.S. Miller, speaking at the Orange County Jefferson-Jackson Dinner Friday night, introduced Yoder and said he would not seek the Democratic nomination. On Saturday, 2014 nominee and former Seymour mayor Bill Bailey confirmed to Howey Politics that he would be



Democratic 9th CD candidate Shelli Yoder chats with U.S. Sen. Joe Donnelly in French Lick on Friday. (HPI Photo by Brian A. Howey)



State Sen. Mike Delph discussed a potential U.S. Senate run on WTRV, saying at one point that "other folks" may be better at carrying a message.

endorsing Yoder, the Monroe County councilwoman who lost to U.S. Rep. Todd Young in 2012. "I've already run once," Bailey told HPI at the West Baden Springs Hotel where he was attending an art show.

Yoder told Orange

County Democrats, "We can win this election," after Young shifted his sights to the U.S. Senate race. After huddling with U.S. Sen. Joe Donnelly Friday at the Indiana Democratic Editorial Association convention, Yoder told HPI that she is "a better candidate" for her challenge to Young in 2012 as well as the two years she has served on the Monroe County County Council. The open seat "makes all the difference" Yoder said, believing that a Democrat can be competitive in the 9th CD. "I wasn't inclined to do the impossible," she said of getting into the

race after Young shifted to the Senate race.

In announcing her candidacy last week, Yoder said "I'm a different kind of Democrat, and I will always put common sense over partisan ideology." The former Miss Indiana who lives in Bloomington added, "I believe good government and a strong private sector can work together without leaving hard-working Hoosier families behind, and I have a proven track record of working across the aisle to solve tough problems as a public servant. More than anything, I understand as the mom of three young children that you can't fix anything if folks are always fussing and fighting. It's time to put petty politics aside and move all communities and Hoosiers in the 9th District forward." Yoder lost to Young 165,332 to 132,848 in 2012.

Both U.S. Sen. Joe Donnelly and Democratic gubernatorial candidate John Gregg told Orange County Democrats that Yoder can win the race. Gregg called the confluence of events the "perfect storm" that could allow Democrats to pick up the 9th CD they held for all but two years from 1964 to 2010 when Young defeated U.S. Rep. Baron Hill.

Republican Attorney General Greg Zoeller, State Sens. Brent Waltz and Erin Houchin, as well as Jim Pfaff and Robert Hall are seeking the nomination.

Former Indiana Rep. David McIntosh, who heads the Club For Growth, said in a Gannett News Service interview he expects the anti-tax, small government group will endorse a 9th CD candidate.

McIntosh is quite familiar with one of the candidates – Attorney General Greg Zoeller who, like McIntosh, worked for former Vice President Dan Quayle. But McIntosh said Zoeller's philosophy isn't what his group is looking for.

"His approach to being a congressman isn't the typical Club For Growth, 'I'm going to go fight for smaller government.' His is, I would call it the more old-fashioned, 'I'm going to do what I think is best for my district and not get caught into these ideological battles,'" McIntosh said. "I told him, 'We're looking for the ideological warrior.'"

3rd CD: Banks announces endorsements

State Sen. Jim Banks announced the endorsements of 10 more leaders from various counties across Northeast Indiana who have decided to support his 3rd CD bid (Howey Politics Indiana). Allen County Commissioner Therese Brown, endorsing Banks, said: "Jim Banks will make a great congressman for Northeast Indiana. He is a gifted leader who listens and knows the value of building relationships with local elected officials. He is a conservative who understands that the best government is the government that is closest to the people. I look forward to working with him to make northeast Indiana a better place to create jobs and raise our families." Other current and former officials joining Commissioner Brown and endorsing Banks are: Former State Rep. Dick Dodge; Wells County Councilman Steve Huggins; Allen County Councilman Roy Buskirk; Huntington County Commissioner Larry Buzzard; Huntington County Commissioner Tom Wall; Huntington County Commissioner Rob Miller; former LaGrange County Commissioner Phil Malone; DeKalb County Commissioner Don Grogg; and Adams County Commissioner Doug Bauman.

General Assembly

Henderson to seek SD44

Former state senator Linda Henderson is seeking a return to the upper chamber, telling Howey Politics Indiana that she will seek the SD44 seat being vacated by the retiring State Sen. Brent Steele. In 1994, Steele defeated Henderson in the Republican tidal wave year. Republicans looking at a potential SD44 run include State Reps. Eric Koch of Bedford and Jim Lucas of Seymour.

Presidential

Carson leads online Indiana straw poll

The Indiana Republican Party is still circulating an online presidential straw poll, but preliminary figures released via the party's Facebook page show Ben Carson leads the field with 13.57%. Second, is Marco Rubio (11.92%). He is followed by Ted Cruz (11.47%), Donald Trump (11.32%), Scott Walker (11.32%), and Rand Paul (9.75%).

Biden wonders about 'emotional fuel'

Vice President Joe Biden is feeling frustrated with the pressure to make up his mind on a presidential run, people who've talked with him say, and Wednesday, Democratic officials got to hear just how torn he is (Politico). The conference call was supposed to be about Iran — and took the place of an appearance at the Democratic National Committee's summer meeting alongside all the declared candidates, as he was invited to do — but the first question he was asked was what the deal was with him. He didn't know, he said. "I have to be able to com-

mit to all of you that I would be able to give it my whole heart and my whole soul, and right now, both are pretty well banged up," Biden said, according to several people on the call. "He sounded like he was a man in the midst of a big decision," said a person on the call. Biden said he needed to figure out whether he had the "emotional fuel" to go forward, the person said. Hillary Clinton told CBS News that Biden has yet to fill her in on how seriously he's considering his own White House bid. "And I have not asked for that," she added. "I just want the vice president to decide to do what is right for him and his family."

Biden performs well in Quinnipiac Poll

Vice President Joe Biden has the best favorability rating among top 2016 contenders in either party, and he would run a little better than Hillary Clinton in the general election, according to a new Quinnipiac University national poll released Thursday that also shows Donald Trump increasing his lead in the GOP race (Politico). Biden, who has not made his intentions known about a third bid for the White House, earned a net favorability of 77 points among Democrats. Florida Sen. Marco Rubio led Republicans with a net rating of 69. (Among all registered voters, regardless of party affiliation, retired neurosurgeon Ben Carson led the field with a net positive rating of 20.) Matched against Trump in a hypothetical general election matchup, the veep came out on top, 48 percent to 40 percent. Against Bush, he prevailed, 45 percent to 39 percent; and against Florida Sen. Marco Rubio, he got 44 percent to the senator's 41 percent.

Clinton does well with minorities

Former Secretary of State Hillary Clinton has been under siege for months as additional revelations and developments regarding her use of a private email account continue to drip out (Skelley, Sabato's Crystal Ball). Last week, the Crystal Ball explored what might happen should Clinton drop out of the Democratic primary or, as the rumors swirl about the possibility, if Vice President Joe Biden enters the race. But if Clinton is scarred but undeterred by the email scandal heading into the Iowa caucuses, what we know so far about the primary and caucus schedule suggests that Clinton should still be a favorite, even if Biden does get into the race. The principal reason for Clinton's continued polling edge in the face of her email struggles is her consistently overwhelming support among nonwhite voters. In Fox News' latest poll, Clinton only led Sen. Bernie Sanders by 19 points, 49%-30% (with Biden at 10%). She earned the backing of 65% of nonwhite Democrats to Sanders' 14% and Biden's 12%. When it's been reported in surveys, Clinton has often been at over 60% among minority Democrats. As long as Clinton remains at near parity in the white vote, her strength among nonwhites should buoy her in a number of states. ❖

Sen. Donnelly talks of Planned Parenthood, EPA stances, and the costs of heroin, HIV

By **BRIAN A. HOWEY**

FRENCH LICK – It was a tumultuous month for U.S. Sen. Joe Donnelly. He voted to cut off funding for Planned Parenthood, one of just two Democrats to do so, and sided with Republicans on opposing the Obama Administration’s new Clean Power Rules issued by the Environmental Protection Agency. And there is the festering HIV epidemic and heroin problem that are grip-



ping much of the state.

Donnelly acknowledged the growing scope of problems, particularly in rural areas. He told HPI of marching in a parade recently, he and his staff throwing Tootsie Rolls to children along the way. He noticed a mad scramble for the candy, and then disheveled kids followed them asking for more. “And then it dawned on me, this was their breakfast,” Donnelly said.

Howey Politics Indiana sat down with Sen. Donnelly Friday evening at the French Lick Springs Resort just before Donnelly went across the street to address the Orange County Jefferson-Jackson Dinner on the array of issues that have dominated headlines.

HPI: It’s been quite a month for you, with your Planned Parenthood defund vote that prompted Kathy Davis to resign from your campaign, and then your position on the new EPA rules. Has it been one of the tougher periods in your public service?

Donnelly: It’s a month where we’ve dealt with some of the more challenging issues that face our country and people are passionate about. They all arrived at the same time.

HPI: I wrote that there were votes to give on Planned Parenthood, and your staff said it was a vote of

conscience for you. Walk me through how you came to your vote.

Donnelly: What I tried to do was what I always try to do, which is to do what’s right for our state, our people and our country. The way I came to my decision was I viewed a lot of the videos and Indiana’s Planned Parenthood is fine. Gov. Pence had them inspected, they are following the rules, following what they are supposed to do. Unfortunately, my vote is not just about Indiana, it’s funding for all states. If you saw some of those videos, there’s a real concern as to the way actions are being taken, whether they comport with federal law. I felt an obligation to make sure that all laws are being followed. That’s what the people of Indiana expect of me. I have supported women’s health care time after time after time, including federally qualified health centers. When you talk to those folks, they will tell you, and I don’t want to blow my horn, no one worked harder for the state of Indiana than I have, trying to expand their range of services, visiting with them, spending time with them. Our community health centers are providing health care as well. With the Affordable Care Act, we are providing health care to more women than any time before, including contraception and other choices. I supported that fully. This is about trying to make sure that the Planned Parenthood organization is following the law.

HPI: We’ve seen what can happen when a community like Austin loses a clinic. I’ve written that Planned Parenthood ought to look at spinning off abortion services from health care services.

Donnelly: I’ve suggested that on numerous occasions for a number of years.

HPI: And the reaction?

Donnelly: You know I can’t make decisions for them. But it always seemed to me to be a real sensible way to solve this. This isn’t connected with Planned Parenthood, but we’re working with people to get a federally qualified health center in the Austin area. The doctor down there said, ‘Look, I am willing to be part of everything. I want my doctor’s office to be part of any team to provide better health care for Austin.’ We hope to see that get across the finish line.

HPI: The other complex issue is the EPA Clean Power Rules. How did you come to that decision?

Donnelly: Almost exactly a year ago the first proposed regulations came out, saying Indiana needs to cut emissions by 30%. At first I told them, ‘Why don’t you count on us to do this voluntarily. We’re making significant progress.’ One of the things about that was state government’s stand on energy efficiency. This might be like get-



tin free money in emission reductions. You don't have to close any power plants. You don't have to do any of those things toward the energy efficiency part of it. The state for whatever reason, which is incomprehensible to me, has walked away from one of the most common sense, reasonable programs you can have. But overall, we're supposed to reduce 30%, and we had worked closely with the REMCs, the utilities, and all of the stakeholders from around the state to put a plan together. Nobody was thrilled, but everybody said, 'How can we do this?' And then the day before, the EPA completely changed the plan so it was much more difficult for us to hit the numbers. This is after a year of everybody basically saying, 'Here's 100% of what I want, I'll take 50%. Not even take, we'll pitch in.' But the legislature walked away from the energy efficiency while everybody else was pitching in. And 24 hours before, the EPA changed the regulations.

HPI: Did the legislature walking away from the energy efficiency play a role?

Donnelly: I don't know the answer to that.

HPI: When you were dealing with the EPA, at what level?

Donnelly: The person we dealt with at the EPA was Gina McCarthy. I spoke to John Podesta, who was the president's assistant assigned to this particular issue. I spoke to Denis McDonough, the president's chief of staff.

HPI: Did they understand?

Donnelly: Obviously not well enough.

HPI: If this is a global and national issue, the coal states are taking the biggest hits. Shouldn't the pain be spread out?

Donnelly: The pain needs to be spread out to all parts of the country. The other part of this is when you look at all our efforts, the good faith efforts across the line, I am really disappointed in the administration and the EPA. Seven out of eight tons of coal are burned in China and India. We are a small part of the overall challenge. We are in a global community. What goes on in China, seven days later is here. We need to be the flat out leader in advanced coal technologies, of the most advanced coal gasification, the most advanced coal liquefaction. All of these things. If we do that, we will move the reduction and emissions much further because it will dramatically help reduce the numbers across the globe. The other part about all of this is we've told the EPA for a long time, 'When you're sitting at a desk in Washington, you pick up the phone and you tell Hoosiers this and this and this, we really don't like it.'



But if you call us and say, 'Here's a number we'd really like to hit, do you think you could put a plan together?' nine out of 10 times, we'll do it. We like it a lot more when we're the ones making the decisions instead of someone telling us what to do. We sure need our legislature, instead of looking for one more way to walk away from common sense solutions, to pitch in when we need a common sense plan like energy efficiency.

HPI: The environmentalists make the case that while we'll lose coal jobs, the new technologies can spawn other jobs and economic activity.

Donnelly: We're having a terrific growth in solar, wind and other technologies. Just look at the Indianapolis airport. My belief is all in. I don't think this is a zero sum game. My feeling is the more American energy you bring on line, the safer we are as a nation, the more affordable it is for our families, and the cleaner the environment. Nobody runs power operations in cleaner fashion than the United States. We want solar, we want energy efficiency. And we want clean coal.

HPI: Brown County is setting up a needle exchange. The needle exchange map is getting bigger and bigger.

Donnelly: So is Monroe County.

HPI: Give us an overview of what this state is facing. I was in Fort Wayne during the crack crisis in the early 1990s.

This seems like this is getting much more rural. What do policy makers and legislators need to know?

Donnelly: This is one of the biggest challenges we're going to have as a state. If you look at the town of Austin, 4,200 people, right now we have 180 HIV cases. They rocketed up, and the CDC came in, and it's leveled off. We were afraid it might get to 200. We think it is about 180 right now. The moral dimension is 180 citizens who are going to live with this for the rest of their lives, who will have health challenges every day from now on. And the expected medical costs for each one of those individuals will be \$750,000 at a minimum. That's \$150 million; in one town, the health care cost will be \$150 million. That is the challenge we're looking at across the state as well.

Donnelly then described one extended family in Austin, outlined in a CDC report: They are shooting up on this opioid, primarily this Opana. Some of them are doing this up to 20 times a day. Why don't they just use a new needle every time? They have three generations of a family and they sit around the table, passing the needle from one person to the next. The needles cost

a buck, but if you do it 20 times, that's in five days \$100 for people who don't have any money. They don't have the financial means to do it, so they pass it on from one to the next. In that specific case, one person had an advanced case of HIV and became part of the circle and passed it to everybody. You're one person away from having the same thing happen in other towns as well. Connersville has a terrible heroin problem. Heroin is now \$6 to \$10 for a hit. It's never been cheaper, and that hit of heroin is five times more powerful than the heroin when I was younger.

Sen. Donnelly then described legislation he has authored:

We have an extraordinary problem in our state and I'm not going to walk away from it. (Sen.) Kelly Ayotte from New Hampshire, a Republican, and I have teamed up because we don't want this to be a Republican or Democratic problem. We just want to work on this together. We have legislation that is trying to achieve best prescription practices, such as if you get a prescription for a pain pill, you may be better in three days but you have a prescription for 30 days. Those things end up on the black market. We look at other prescription practices, so that our EMTs are trained and have the ability to carry overdose drugs. This is so that when they get to a home where somebody who has overdosed and is probably going to die, they can give them this overdose drug to bring them back. And then we have burn grants to help our officers. There's a lot we can do on this end. Dr. Adams at the state level and I have been working together closely. He really gets it and has come to Washington to testify. This is not going away. You have seen county after county seeking a needle exchange program because of the expansion of this.

HPI: Where will we be in a year?

Donnelly: I hope it is less than now, but probably it will be more. This is not just a Southern Indiana problem and a rural Indiana problem, but it's hitting industrial towns too. Madison County is taking a look at this. Look at your home, Brown County. I have never seen a more beautiful place or wonderful people. But if you're going to have this challenge in Brown County, how are you not going to have it in almost every pocket? It's not just Indiana, it's in state after state after state. This is a national scourge that we're involved with now. We want to deal with it. We want to make sure our medical professions are working together to make a change in the way we do prescriptions.



HPI: Has there been a change on that front?

Donnelly: This is in our bill and I've talked to Dr. Adams and he's working at it on the state level, we're working on it at the federal level.

HPI: This sounds like a desperate situation. We're in for a long haul, right?

Donnelly: We're in for a long haul. All we can do is be realistic and face it head on. To pretend it's not happening here is nonsense.

Our children and our families are worth too much not to give it everything we have. Scott County has been the primary place for this to happen, an area where over 20% of the adults have not graduated from high school. This spiral of rural poverty becomes an almost inescapable trap. I've met with kids at the Austin high school and I wanted to say to them, 'This is not your future if you don't want it to be.' These kids are telling me they are seeing needles on the street.

HPI: One thing that has struck me are the rural slums that weren't there a generation ago. I've seen it places like Marco in southwest Indiana and

in places like Bass Lake on U.S. 421.

Donnelly: I am incredibly passionate about all of our rural counties getting an even shake. I love Indianapolis, but our state isn't doing its best. Twenty of our 92 counties don't have ob-gyn services. My predecessor Sen. Dick Lugar set up the Lugar Center for Rural Health to recruit doctors for rural areas. It brings back young people to their home towns to provide medical care. We have huge long term requirements. We have to have better medical care. When people talk about broadband for rural counties, it's more than just a nice thing, it is an economic lifeline.

HPI: So many rural counties are losing out. Is broadband Internet expansion the solution?

Donnelly: If you have broadband as fast as in the Empire State Building, you can compete with anybody.

HPI: What would it cost?

Donnelly: I don't know the exact cost, but I do know this, the state of Indiana has \$2 billion socked away. We ought to use this money on roads, on broadband, and on doctors and making sure that every quarter of our state is competitive. You don't have to tear a surplus apart to do that. You just have to be more focused on providing services that make our people's lives better. I would rather see our surplus kept at \$2 billion instead of \$2.4 billion and use that excess money on broadband, on our bridges, on our roads. ❖

Indiana needs to modernize vote system

By LEE HAMILTON

BLOOMINGTON – The vigor of our system depends on the vote of each citizen. We have to make it easier to vote and harder to cheat.

The campaigning for next year's elections is starting to draw more attention, and with it comes a focus on voters and their mood. Which is all well and good, but it leaves out of the equation one large bloc of citizens, people who are eligible to vote, but don't.



Over the years, a fair number of people I've encountered have confessed that they do not vote, and I often surprise them by pressing them on why they don't. They give a multitude of reasons.

The most common is that they're too busy, or that voting takes too much time. Plenty also say they're turned off by politics, politicians, and anything having to do with government. "What difference does it make?" they'll ask. Or they'll argue that money has so corrupted the political system that they want no part of it.

There are also legitimate reasons; people are ill or disabled, they didn't know where to vote, or their polling place was hard to reach. Sometimes they didn't meet their state's registration deadline, which might be a month ahead of the election, or they ran into ID requirements that stymied them. On the whole, it didn't take much to keep them away from the polling place, which, for many policy-makers, is of little concern. Some don't worry about low voter turnout; they're more focused on making sure voters are informed. Others are pushing to make it more difficult for eligible voters to vote, since their chief concern is to protect the integrity of the ballot and reduce fraud.

Still, plenty are deeply concerned about falling rates of voter participation. The 2014 elections saw the lowest turnout rate since 1942, according to the United States Election Project, which found that a mere 35.9 percent of the voting-eligible population cast ballots. They're concerned because voting doesn't just put office-holders in place and push policy in one direction or another. It also affirms the electoral system. When people don't vote, they undermine the legitimacy and effectiveness of our representative democracy. The vigor of our system depends on the vote of each citizen.

So what do we do about it?

My first recommendation is actually a note of caution. Generally speaking, Democrats have emphasized making ballot access easier; Republicans have focused

on ballot integrity. Both need to be addressed if we're to build the legislative support necessary to achieve needed changes in our electoral system. We have to make it easier to vote and harder to cheat.

We need to modernize the system. Democracies like Australia and Canada invest serious money in their election infrastructure and conduct widely acclaimed elections. Ours, by contrast, is fragile and uneven. We've already had one presidential election decided by courts on a question of failed infrastructure. More embarrassing cases will certainly occur.

We also need to recognize that the days are long past when it was okay to place election administration in the hands of partisan state or local politicians. They will contest for power and use the system to influence the process. It's time for election management across the country to be in non-partisan hands.

The aim of reforming the system is to make voting convenient, efficient, and pleasant, to make sure the mechanics work as they ought, and to ensure that disputes are handled fairly. This means that state governments, not localities, should be responsible for the accuracy and quality of voter lists and for educating the public about voting. Often, local governments have neither the expertise nor the funds to do this effectively.

Finally, there's the question of voter ID. It's legitimate to ensure that a person presenting himself or herself at the voting site is the same one named on the voting list. But requiring an ID needs to be accompanied by aggressive efforts to find voters and provide free access to the voting booth.

Instead, a lot of states that have instituted ID requirements have dismissed the idea that this imposes a responsibility to reach out to voters and make IDs available to those who can't afford it. They're subverting representative democracy. ❖

Lee Hamilton is director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.

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Scheub looking for one more term

By RICH JAMES

MERRILLVILLE – I guess one never says never in Lake County Democratic politics. Just ask Democratic Lake County Commissioner Gerry Scheub. For most of the last three years, Scheub has been telling anyone who cared to listen that he wouldn't be seeking a sixth term in 2016. Yep, Scheub said he would be retiring.

Well, not so fast.



Scheub this week said he may be having second thoughts, even though he would be 80 when he would start a new term. Scheub said he considers himself to be the "mayor" for the 32,000 people who live in rural south Lake County. "When they need something, I'm called and I get it. You can't send anybody else out there. Those people want to see you," Scheub said.

Scheub added that he has wrestled with whether to run or retire for the last year. If Scheub decides to run, it could be difficult. Following the 2010 Census, the district was redrawn for the 2012 race, and for a variety of political reasons, it has been redrawn for the 2016 race.

As an unofficial favor to Scheub, the district was left fairly Democratic for the 2012 race and Scheub won easily. But the district becomes decidedly Republican – 56 percent according to Scheub – for next year's race. Scheub clearly would be the best bet for Democrats if they want to hold onto the seat.

Over the course of 19 years, Scheub has gotten close to the south county residents, the majority of whom are Republican. Not only does Scheub respond to their needs, largely flooding problems and fights against landfills, but he often votes like a Republican as part of the three-member board of commissioners. For instance, Scheub cast the lone vote against the adoption of a county income tax more than a year ago.

Scheub was a lifelong resident of Schererville until a few years back when he and his wife moved into the rectory of a Roman Catholic church in Merrillville.

Scheub isn't the only unanswered question for the 2016 commissioner election. Republicans, perhaps waiting for Scheub to decide, don't have a candidate. The one Republican who many think could beat Scheub is state Sen. Rick Niemeyer, a lifelong resident of the Lowell area in south county.

Scheub was first elected commissioner in 1996, replacing Ernie Niemeyer who retired. Rick Niemeyer, who

is Ernie's son, narrowly lost to Scheub.

Rick Niemeyer said this week that his intention is to remain in the General Assembly, but he didn't rule out running for the county job once held by his father. Ernie Niemeyer also was a state senator. ❖

Rich James has been writing about state and local government and politics for more than 30 years. He is a columnist for The Times of Northwest Indiana.



Who are the winners, losers in taxation?

By MORTON MARCUS

INDIANAPOLIS - Is Indianapolis sucking the rest of the state dry? Or, does Indianapolis subsidize the rest of the state?

This issue was addressed in a 2010 study, "Intrastate Distribution of State Government Revenues and Expenditures in Indiana" sponsored by the Indiana Fiscal Policy Institute (IFPI) and conducted by the Center



for Business and Economic Research (CBER) at Ball State University. The study concluded the people and businesses of Indianapolis (Marion County), in 2009, paid \$420 million more in taxes and fees to the state than they received back as expenditures by the state. In general, 22 urban counties "subsidized" 70 rural counties.

Despite wide circulation when the study was released five years ago, politicians continue to inflame constituents over the issue, unwilling to end decades-old urban-rural hostilities.

Let's understand the near impossibility of getting a decent answer to the question, "Who are the winners and who are the losers in the redistribution of tax funds among the counties?"

The sales tax is the largest source of tax revenue for Indiana (about 45 percent). But where does that money originate? No one knows.

The State Department of Revenue (DOR) issues a report annually ascribing sales tax revenues to specific counties. However, sales taxes collected at that chain store in your county may be bundled with those of stores in other counties and sent in as a consolidated report. Although some attempt may be made to estimate actual revenues by county, it is no substitute for county-specific

reporting as is prevalent in other states.

Now throw in another problem: Residents of Warrick County do a lot of shopping in Evansville (Vanderburgh County). The result: Vanderburgh ranks second in the state for sales taxes per capita, more than twice the state average, while Warrick ranks 89th, just a third of the state average. Where do the people of your county shop? Where do the people shopping in your county live? We don't know.

Thus, the report by county of where the largest chunk of state tax revenue comes from is fundamentally flawed. Similar problems permeate the CBER study and would plague any other study as well.

More difficult is allocating expenditures by county. Are we looking at the flow of funds or the more philosophical question "Who benefits?" Right now the state is

repairing a bridge on I-65 in Tippecanoe County. Are the beneficiaries the residents of the county, the employees of the companies doing the work, or the travelers who will use that bridge whenever it gets repaired? Do we know where those workers or those travelers live?

This is the fundamental confusion in the study where, for example, expenditures for prisons are allocated to each county according to its resident population, not to the county in which the prison is located. Are we trying to determine the flow of funds by county or assign benefits?

Is our concern the narrow, political and parochial one of balancing cash flow or the broader question of the general good? The two should not be mixed together. ❖

Mr. Marcus is an economist, writer, and speaker who may be reached at mortonjmarcus@yahoo.com.

Quarterly capitalism and tax on capital

By **MICHAEL HICKS**

MUNCIE – One fashionable critique of business today is that it is too focused on the short run. One presidential candidate calls it "quarterly capitalism," implying that the quest for short-run profits spoils the overall economy. This is worth discussing, but not so much because this candidate is likely to be president. Rather, it is because the idea is fairly old. Much like fashion, it is now back in vogue.



For those of you who need reminding, markets for capital (like stock markets) see prices ebb and flow quickly, responding to all sorts of news. Required quarterly profits reports inform investors of the state of business

and so impact the price of capital, which is bought and sold in stock markets. The current talking points call for a tax on the transaction of stocks to slow down exchange and force more long-term holding of stocks. Setting aside the practical challenges of such a tax, it is useful to explore whether the quarterly capitalism actually exists, and if so, is it a problem.

An interest rate measures how much we value the future. So, each of us can be compared with one another by the interest rate we are willing to pay or charge to borrow or lend money. The size of the debt we accrue, is also a rough measure of how much we value the future. So how do those quarterly capitalists compare against other human institutions?

On average, religions and non-profits seem to do well, discounting the future only a little. But how about government? Some governments borrow little and manage debt carefully, but the magnitude and composition of the federal debt suggests our national lawmakers care little about future generations. There's plenty of talk about strategic thinking, but that is where it mostly ends. We humans and our institutions are not magical forward thinkers.

Against these benchmarks, the typical corporation is a patient steward of the future. After all, CEOs are heavily compensated with longer-term stock options to insure this focus. Moreover, there's no evidence in the academic research that suggests short-term traders do better than long-term stockholders. The quarterly capitalism critique lacks empirical evidence, but far more worrisome are the proposed remedies for this non-problem.

Assume a tax on buying and selling stocks is imposed. This would trap investors in bad companies, sometimes for years. Can this be a wise way to get better corporate leadership? Let us try a thought experiment.

Suppose we were to levy the same transaction tax on labor which we do on capital. So, each company would have to pay a heavy penalty for each employee they decide to fire, no matter what the cause. Can anyone guess what that would do to hiring? It would bring it to a rapid halt. What a silly catastrophe that would generate, yet seemingly serious people suggest exactly the same set of outcomes when they propose to tax capital transactions. What we really need instead is a tax on bad ideas. ❖

Michael J. Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Frances Ball distinguished professor of economics in the Miller College of Business at Ball State University.

Remembering Julian Bond in Chicago, 1968

By JACK COLWELL

SOUTH BEND – When I wrote in January about “one of the most persuasive speeches I’ve ever heard,” one delivered amid chaos and violence at the 1968 Democratic National Convention, I didn’t expect the column to bring response from the civil rights icon who delivered that speech.



But Julian Bond sent a “thank you” email the day after the column ran. In his kind remarks, he asked: “How did you manage to reconstruct it after all these years?”

I used Bond’s words, his warning back then in an impromptu speech to protesters in Chicago’s Grant Park, to

make a point about lashing blindly at uniforms now.

With Bond’s death, countless tributes have appeared in newspapers and on television. He was charismatic, intellectual, a spellbinding speaker with a cool personality and fierce opposition to injustices of segregation.

Could he have been the first African-American president if conditions were different back then?

Bond actually was nominated for vice president at that wild ‘68 convention. He declined the nomination. He had no chance of being the winning nominee and he wasn’t old enough then to meet the constitutional age requirement. The nomination was symbolic, offered after his integrated Georgia delegation lost in a seating dispute to the delegation of segregationist Gov. Lester “Ax-Handle” Maddox.

Bond was elected to the Georgia House of Representatives in 1965. The white majority refused to let him take his seat because of his opposition to the war in Vietnam. A unanimous Supreme Court decision finally directed that he be seated.

Bond was one of the founders of the Student Non-violent Coordinating Committee and went on to be a writer, commentator, poet, professor and chairman of the NAACP, sometimes at odds with more militant blacks, other times

clashing with moderates who thought he was going too far.

In Grant Park, Bond spoke without text or notes or podium to angry, milling protesters, some with bandages from clubbing by police in the violent confrontation the night before on the other side of Michigan Avenue at the Conrad Hilton.

As far as I know, I was the only reporter there. And I was trying not to look like a reporter. I didn’t dare to take notes. Reporters were not welcomed then by either police or protesters.

Chicago cops in blue uniforms and Illinois National Guard troops in brown uniforms lined the street.

A call for vengeance for the injuries inflicted by the clubs would have been welcomed by the angry throng. Some had objects ready to throw.

What Bond said wasn’t what many of the protesters wanted to hear, but they listened because this was Julian Bond. He had left the convention hall to talk to them, without TV cameras, without any delegates to sway.

“Don’t lash out blindly at blue uniforms or brown uniforms,” Bond urged. “You don’t know the people in those uniforms. You may lash out at somebody in a uniform who dislikes the war just as much as you do.”

He pointed out that not all the cops had swung clubs at protesters’ heads. There were good cops and bad cops. They wore the same uniform but were not all the same.

My purpose in citing those Julian Bond remarks this January was to point out some blind lashing at uniforms going on right then.



Two New York City policemen had been assassinated, apparently in blind revenge for actions of deadly and controversial force by some others who wore police uniforms.

Locally, some folks wanting to show support for police were lashing out blindly at other uniforms, Notre Dame uniforms. Members of the Notre Dame women’s basketball team had worn “I can’t breathe” T-shirts in pregame warm-ups to express concern about conduct of some police in controversies

over deadly force. Lashing out came as though the players were denouncing local police, all police, good or bad.

I told Bond that I couldn’t guarantee, with no recording, no notes, that I had verbatim quotes of what he said. But you remember something so persuasive, so right for an audience wanting to lash out blindly. His admonition was persuasive then and should be now. ❖

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

John Krull, Statehouse File: Gov. Mike Pence's office gave itself a pat on the back, but the pat should have been halfhearted. The news the Pence administration touted was about jobs. Indiana's unemployment rate dropped in July – down to 4.7 percent, which is below the national average and well below the 5.8 percent jobless rate the state recorded just a year ago. The employment surge pushed the state to a historic high when it came to the number of Hoosiers working – 2,614,800 people in Indiana now have jobs. That broke the old record, which had been set more than 15 years ago in March of 2000. Some of the success can be attributed to population growth, but it's still great to see an increasing number of the state's citizens have steady incomes. That's the good news. The not-so-good news is that Indiana still lags well behind the national average when it comes to household income. We also trail three of the four states surrounding us – and the fourth, Kentucky, has gained ground on us in the past 15 years. Some economic indicators place us in the bottom 20 percent of states when it comes to average income and other wage factors. The state also has seen the income gap – the chasm separating the "haves" from the "have-nots" – grow wider than it has in most other states. That has given rise to at least two tragic trends. The first is that much of the swell in these job numbers comes from formerly middle class Hoosiers who are doing anything to hold on. The Indiana Institute for Working Families reports that, even in this time of increasing employment, the number of Hoosiers plummeting out of the middle class continues to climb. Think of it as the American dream in free fall. The second trend – even more tragic – is how hard this widening wage disparity has hit the most vulnerable members of the Hoosier family. ❖



John Kass, Chicago Tribune: Why are so many journalists — particularly liberal journalists — mocking the true believers of Donald Trump? Because it's just so darn easy, that's why. It's much safer to ridicule Trump supporters than dare question Planned Parenthood's gruesome and tax-subsidized baby organ harvests. It's much easier to do a Trump-said-something-crazy story than question Hillary Clinton for compromising national security by using a private email server. And it's less risky to mock Trumpians for their nativist ways rather than question the racism inherent in the angry all-lives-don't-really-matter crowd. Daring to question Planned Parenthood or Hillary Clinton's lies or racial hashtag dog whistles can lead to frosty looks in the newsroom. And who wants frost at the end of summer? I'm no fan of Donald Trump, leading in the polls for the GOP presidential nomination. He's a betrayer, though his fans don't know it yet. And he can't be elected president with his high negatives with women voters. He's also a pretend conservative Republican (actually more of a Democrat) who promises, in Big Government fashion,

to wield the federal hammer and impose his Trumpian will upon the republic. But his basic populist appeal is this: He knows American politicians are corrupt because he's bought dozens of his own and says so. And he vows to kick the High Priests of Political Correctness — meaning journalists — in the private areas until they cry. So it's no wonder that self-censoring journalists (including the handmaiden scribes of the establishment GOP) have animosity toward this wild and wealthy populist with the bad hair. ❖

Amos Brown, Indianapolis Recorder: Democrats feel optimistic over the troubles of Gov. Mike Pence, caught between two immovable forces within his own party. Republican moderates felt he nearly caused economic harm with his stand on the Religious Freedom Restoration Act and conservative, faith-oriented Republicans livid Pence caved on the RFRA issue. Democrats believe they can return to electoral victory if they can convince white Hoosiers on the poor economic direction of Indiana during former Gov. Mitch Daniels' last four years and the first three years of Pence. There are some strong indicators pointing to Indiana's economic malaise. The crisis in the Department of Child Services with cases of children in troubled families rising significantly, not just in urban counties like Marion, Lake and Allen, but in significant increases in rural counties. Wages of Indiana households and families are stagnant, despite the Pence Administration's rosy job pronouncements. The heroin epidemic and the spread of HIV is occurring in white rural Indiana counties, not in the heart of the hood. I'm sure there'll be plenty of seminars at French Lick for Democrats to ponder these subjects and plot a return to victory. But another critical problem faces Indiana Democrats. The end of the age of Obama. Next year's election won't feature the bounce in registered and actual voters Obama created in 2008 and 2012 among young voters and especially among African-Americans. Despite the hype, voter turnout in this state has declined. The Census Bureau reported in 2008 and 2012, the Black voter turnout in Indiana was among the highest, in percentage terms, of any state! In 2008, 61 percent of Blacks voted; jumping to 68 percent in 2012. But in the off-year elections of 2010 and 2014, Black voter turnout cratered; with 44 percent of Blacks voting in 2010 and 37 percent voting in 2014. And unless Indiana's Democratic leaders wake up, Black voter turnout won't reach those unprecedented levels as in 2008 and 2012. What drove Blacks to the polls in 2008 and 2012 was extreme enthusiasm about electing the first Black man as president and then re-electing him. That won't exist next year. And while there's enthusiasm right now for Hillary Clinton, it's not on the level that existed for the current president. If Blacks, especially in Indiana's largest county and largest Black community, aren't fully familiar with and energized about the Democrats' statewide candidates, those candidate's chances to win statewide next year are slim to none. ❖

McRobbie jolts IU athletes

BLOOMINGTON -- Indiana University President Michael McRobbie issued a blistering warning Tuesday to members of his athletic department staff, telling them player misbehavior had to stop (IndyStar). McRobbie's stern admonishment came during remarks at the department's annual all-staff meeting, at which the president often shares his thoughts on the academic year ahead. Departing from his usual position as supportive but passive when it comes to athletics, McRobbie didn't mince words when discussing the recent spate of off-the-field incidents that have made unwanted headlines in Bloomington. First he praised a recent major IU discovery in the field of paleobotany: "This is the sort of world-class achievement by our researchers with which I want to see Indiana University associated." Then he jolted the room. "What I do not want to see is any more stories of repeated student misbehavior. They embarrass the university, they embarrass all of you in Athletics, and they are a complete distraction from our primary role as an educational institution," McRobbie said. "This misbehavior simply has to stop."

Pence headed to Japan

INDIANAPOLIS -- Gov. Mike Pence will lead a delegation of Hoosier business leaders to Japan next month on his seventh international jobs and economic development mission and his second trade mission to Japan. Departing Indiana on Sept. 11 and returning on Sept. 18, the Governor will travel to Tokyo, Kyoto and Nagoya. During the trip, he will attend the Japan-U.S. Midwest Conference, meet with business executives and government leaders, and host a reception for

economic development partners and potential investors. While in Japan, Pence will meet with Japanese companies with Indiana operations, including Honda, Mitsubishi, Toyota and Subaru.

"Indiana's bond with Japan goes back nearly 100 years and with more than 46,000 Hoosiers employed by Japanese businesses across the state, we once again head to Japan to tell how Indiana is always the right decision for your business," said Pence. "Our relationship with Japan has grown stronger, with Japanese companies able to leverage Indiana's favorable business climate, convenient location and strong workforce. We remain committed to telling Indiana's story and are always on the hunt for opportunities to bring jobs to the state and this jobs mission sets the stage to tell Indiana's story to Japanese businesses once again."

Batesville Mayor Fledderman resigns

BATESVILLE -- In the wake of allegations that he paid a male prostitute for sex, Batesville Mayor Rick Fledderman has resigned (IndyStar). City officials announced Wednesday that Fledderman's resignation is effective immediately. City Council member Gene Lambert has been serving as acting mayor since Fledderman's arrest earlier this month. A city news release says a caucus of Batesville Democratic Party precinct committee members will select a replacement to finish Fledderman's term, which runs through the end of the year. Lambert's appointment will end Thursday unless extended by a judge. City officials are considering extending Lambert's time as acting mayor until a replacement is selected. "It is important to the city that all city business continue uninterrupted for the remainder of the mayor's term of office," Lambert said in a statement. "Throughout this process, the city council and I have been consulting with legal counsel to

consider and pursue all legal options to ensure continuation of the city's operations."

Pence sponsored birthright bill

INDIANAPOLIS -- The fight over illegal immigration and birthright citizenship has made its way to the Indiana governor's office (Heinz, WRTV). All children born in the U.S. are automatically citizens under the 14th Amendment, regardless of whether their parents are in the country legally. But, while serving in Congress in 2009, Gov. Mike Pence co-sponsored a bill that would have changed the rules. The bill would have limited citizenship to children born to at least one parent who is a citizen, immigrants living permanently in the U.S. or non-citizens performing active service in the U.S. Armed Forces. Asked if he still supports that stance, Pence said he hasn't reflected on the issue in recent years. "I'm very hopeful the next Republican administration will work with a Republican Congress and craft the kind of solution that will respect the rule of law in this country but also deal with this issue in the right way," Pence said. He said he's proud to have helped propose what he called "commonsense solutions" to immigration. The proposal did not receive a hearing in Congress.

Soderquist trial begins Monday

HAMMOND -- The trial of Lake Station Mayor Keith Soderquist and his wife, Deborah, on federal charges of conspiracy, wire fraud and filing false tax returns is scheduled to begin in U.S. District Court on Monday (NWI Times). The government contends the couple conspired to use campaign cash and food pantry donations to sponsor gambling trips that had put their finances in a tailspin. The trial is expected to last four to five days. In court filings this week, prosecutors said one of their expert witnesses will be FBI special agent Robert Moledor.

