



General Assembly returns to reality

No budget deal & an education stairdown

By **KATIE COFFIN**

INDIANAPOLIS – The Indiana General Assembly returns to the Statehouse this afternoon for its first special session under Gov. Mitch Daniels. However, despite efforts made by leaders to create a committee that would construct ideas and compromises and paving the way for quick passage, the General Assembly reconvenes with no clear bipartisan deal to work from.



State Rep. Cindy Noe and State Sen. Dennis Kruse at an April tax tea party. (HPI Photo by A. Walker Shaw)

sources tell Howey Politics Indiana.

Some are more worried about this than others. State Rep. Jeff Espich (R-Uniondale), member of the Special Joint Budget Committee and the ranking member of the House Ways and Means Committee, said

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Mourdock's 15 minutes in fast lane

By **BRIAN A. HOWEY**

KOKOMO - By the time Indiana Treasurer Richard Mourdock's 15-minutes of international fame ended Wednesday morning, Hoosiers in the largest cluster of Chrysler factories here were breathing a sigh of relief. Within hours, the merger with Fiat was a done deal and Kokomo's industrial hum would be back.



Mourdock was left to express his "disappointment" that the U.S. Supreme Court took a pass on what essentially



"They are going to have to go through a lot of pain and agony to get there, but the changes they are making can make them prosperous again."

- **U.S. REP. BARON HILL,**
ON THE U.S. AUTO INDUSTRY



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became a rule of law argument over one of the most compelling manufacturing and bankruptcy chapters in U.S. history. In one of the most peculiar twists in modern economic development, the state executive branch aligned itself against the automotive sector that defined 20th Century Indiana, perplexing thousands of Hoosier families who stood on the brink of a WorkOne experience from Kokomo to Columbus.



Treasurer Mourdock in primetime.

Or, as an emotional Gov. Mitch Daniels put it at Greensburg last November as Honda opened up its new plant there and the storm clouds gathered over Detroit, "If you build a great product and deliver value to your customers," the economic rewards will come. "Our state should take some inspiration from that. Maybe to some extent their competitors should too."

In a March 24 HPI Interview, Daniels explained, "The issue to me is still exactly the same: either the companies make the fundamental changes that will make them competitive or somebody else will wind up making cars in this country. I've doubted all along the politicians would have the guts to impose the necessary changes. A bankruptcy referee would."

President Obama found himself in a situation where no matter what he did, there would be torrents of criticism. In the wake of Chrysler, he gave the UAW and his own government ownership while cherry picking secured creditors.

With the Supreme Court final lifting of the stay on Chrysler, the White House was jubilant. "We are gratified that not a single court that reviewed this matter, including the

U.S. Supreme (Court), found any fault whatsoever with the handling of this matter by either Chrysler or the U.S. government," White House spokeswoman Amy Brundage said. "We are delighted that the Chrysler-Fiat alliance can now go forward, allowing Chrysler to re-emerge as a competitive and viable automaker."

Even with Chrysler's short-term survival, the old-line auto sector's industrial footprint in Indiana will shrink, as will personal income after all the layoffs and UAW concessions. And raising personal income was one of Gov. Daniels top goals back in 2004.

Others thought he couldn't resist rubbing out an old GOP rival - the UAW.

Or as the Daniels friendly Frugal Hoosiers blog noted today. "Between 2000 and 2008, the United Auto Workers (UAW) union gave \$23,675,562 to the Democratic Party and its candidates. In 2008 alone, the UAW gave \$4,161,567 to the Democratic Party, including Barack Obama. In return, the UAW received 55 percent of Chrysler and 17.5 percent of GM, plus billions of dollars. But nobody's calling this a scandal. It's time we start.

Mourdock, too, was looking into the ether. "The future ramifications of the



of the court's decision on the capital markets remain to be seen," the self-described walking pinata said. "From the onset of the

case, I have fought for Indiana's retired teachers, retired state policemen, and Hoosier taxpayers. I have no regret for having done so and for having carried this case to the door step of the nation's highest court."

And, thus, the final economic and political chapters of this amaz-



ing saga won't be known for years, though by the end of the terms of President Obama, Gov. Daniels and Treasurer Mourdock, new trendlines will emerge.

Will Obama's decision to use more taxpayer money and a stunningly expedited bankruptcy process create the "new" Chrysler/Fiat that, as Lee Iacocca did after Sen. Dick Lugar's reprieve a generation ago, will bring billions of income and tax revenue to Hoosier workers and governments?

Or will Daniels' preference to accentuate the emerging 21st Century Indiana companies like EnerDel, Bright Automotive and Electric Motors prove prescient if Chrysler and General Motors become stagnated money pits managed by quasi-government bureaucracies that only prolong the agonizing atrophy that began shortly after the first oil shocks three and a half decades ago?

Daniels will never face voters again (if he and his top strategists are to be believed in the wake of all the "Draft Mitch" presidentialmania). Mourdock will, either in a re-election bid or his own gubernatorial run.

Fate could swing both ways for Mourdock, the Chrysler-driven geologist who manages Indiana's investments. During a 2008 Republican convention address Mourdock vividly Joshua Chamberlain's bayonet charge at Little Round Top during the Battle of Gettysburg as he attempted to rally dispirited Republicans. Anyone who knows Mourdock believes he has stood on principle as opposed to political grandstanding on Fox News. Gov. Daniels told the Evansville Courier & Press that Mourdock "was doing his duty, and he did it bravely. I think it was one of the most principled and gutsy things I've seen an elected official do in a long time,"



Yet his choices seemed to be made in the black and white of fiduciary duty over what the Detroit newspapers revealed as "risky" investments in waning Chrysler in the first place. A liqui-

dated Chrysler would have, theoretically, created far more damage to Hoosier pensioners, governments and taxpayers than the few millions he stood up to save. How wise was that?

The fact that Mourdock spent at least \$2 million

to take the case to the Supreme Court leaves him open to future political attack. A stagnated Chrysler-Fiat might bring a political reprieve. If it turns out to be a successful Iacocca redux, Mourdock could be consigned to ridicule for years to come as the man who tried to kill the Ram, the Jeep.

Another potential political casualty in this is U.S. Rep. Dan Burton, who voted against the early Chrysler and GM bailout last December as the Bush presidency followed the Sinclair dinosaur. He spent more time talking about encroaching "socialism" than his concern about Chrysler em-



employees in Kokomo and GM workers in Marion. Whether any of his four challengers can find an opening to exploit there will be answered during the 2010 Republican primary.

If there was a winner at this early stage of the story, it was U.S. Rep. Joe Donnelly. He took the withering Hoosier auto sector "personally" and did all sorts of behind-the-scenes heavy lifting and consoling to those

whose jobs were on the brink.

There were also some interesting twists to Indiana's government structure. According to the Indianapolis Star, Daniels signed off on Mourdock's legal adventures. What if Daniels hadn't? Hoosiers would have witnessed a divided executive branch, fueling the reform notion that state government would best run in a presidential-type administration where the buck stops with the governor. In this case, the buck stopped with a treasurer in an office Hoosier Democrats hardly ever credibly contest.

Daniels has become famous for grasping difficult, intractable problems (highway funding, stadium-building, and stadium board bailouts) and finding unique solutions (Major Moves, the eight-county food and beverage tax funding Lucas Oil Stadium). He took a pass on Chrysler and GM, presumably because his future eye sees nothing but trouble for the taxpayer even with the "new" GM and Chrysler. I kept waiting to see if Daniels could coax \$5-\$6 million out of the Indiana Economic Development Corporation (largely missing in action when it came to retaining GM and Chrysler plants) to refund any pension fund losses.

Instead, the governor stood mostly mute. He let the treasurer do most of the talkin' as Republican and Democrat mayors, councilmen and commissioners shuddered at the glancing catastrophe. ❖



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he is not optimistic in the slightest about the coming days because he has not yet seen compromise.

He said the Democrats' walk-out along with their new budget proposal has "destroyed any opportunity to reach a quick agreement."

"I am very fearful that we could be talking about a special, special session even after the first of the fiscal year," Espich said.

Simpson optimistic

Senate Minority Leader Vi Simpson said she is optimistic even though she recognizes the challenges ahead. "There are still a lot of things that have to be worked out, so I really don't know how long it's going to take," she said. "But we're all going to be there, and we're all going to be working hard to get it done in time."

She said she is not worried that compromise has been lacking in the pre-session meetings because "regardless of what kinds of proposals or compromises and agreements had been reached," the General Assembly would still have to go through the legislative process, beginning with a bill that originates in the House.

The intent of the Special Joint Budget Committee was to get a bipartisan group of legislators together to compromise and come up with ideas that the General Assembly could work with during the session. However, the Democrats' revolt was sparked by the governor's education funding formula.

Simpson said she does not support the governor's formula because it gives an unfair advantage to growing school corporations through the idea of dollars following the child. She said that the concept that all schools would benefit is false.

"The governor's proposal, although he advertised it as 2 percent was actually only a .2 percent increase for our schools, and so it was a bit deceiving," Simpson said.

State Budget Director Chris Ruhl, however, said he believes they were open and transparent, never intertwining federal money into the formula. He said there was nothing different with this formula than what the House or Senate came up with previously.

"So essentially all we did was say those [stimulus] dollars are coming to schools on top of whatever the state school funding formula produces, and the schools are going to get that money over the next two years, so you might as

well count it in terms of dollars they can spend," Ruhl said.

Superintendents concerned

Many superintendents of rural schools are concerned with the governor's formula because their general fund would decrease even though, on a per student basis, they would receive the same amount of state funding or more.

Cathy Steven, superintendent of Randolph Eastern School Corporation, said her school system would lose \$500,000 over the next two years.

Ruhl addressed this as a "challenge," but also said that it is nothing new. He said no matter who draws up an education funding formula, there will always be "winners" and "losers."

"When you step back, every session becomes a debate over how you divide up limited resources among 293 school corporations," Ruhl said.

The Ways and Means Committee produced guiding principles for their budget during their Wednesday meeting, calling for a 2 percent education increase, not including federal dollars.

Though she is critical of the governor's formula, Simpson also said she doesn't think it is as easy as what the Ways and Means Committee proposed. Ruhl agrees, pointing out that while he was glad Ways and Means Chair Rep. Bill Crawford, D-Indianapolis, consented to the governor's budget parameters, he was discouraged by the outline of a budget with "pages and pages and pages of more spending" and no information on where additional cuts would come from.

"I think that we have to come up with a balanced budget," Simpson said, "and my intent is to support or to put forward some options for a school funding formula in the Senate version that will address all the needs and still have some increase for public schools."

Epsich: Money for students

Epsich said he does support money following students, which means less money going to corporations where there are fewer students. Taking that into account, he said that the Ways and Means Committee education funding formula is "not realistic" because it does not consider the new economic forecast.

"It looks like the [budget] that the Democrats introduced at the beginning of the session when we had \$1.1 billion more than we have today," Espich said. "I know it won't work with the money we have."

Issues surrounding the Capital Improvement Board



Senate Minority Leader Vi Simpson is optimistic that a budget can be reached by June 30. (HPI Photo)



have worked their way into the special session with Gov. Mitch Daniels and Indianapolis Mayor Greg Ballard proposing a CIB bailout.

Simpson said that, because it is a local issue, there is still a lot of discussion to be had with many different groups before any decisions can be made. Espich agrees that providing language for CIB would open doors for discussion on other district's pet projects.

"My concern is that there are certain special interests. The legislators that are going to demand that if the CIB issue is resolved, that gaming issues be resolved also, and I think that's a terrible precedent," Espich said.

With the end of the fiscal year approaching and many philosophical differences between the legislators, Espich and Simpson agree that the legislature will need time to sort this out. Recognizing constituent frustration, Simpson promises the legislature will be "working hard to get [the budget] done in time." Espich also promises to overcome the financial obstacles to do what's best for the taxpayers.

"State government is facing the same kind of problems that people are facing – lost jobs, less income, business failures. So, the public has heard our insistence that there'll be no tax increases, and we're going to live by that, and we're going to live within our income," Espich said. "We have a responsibility to pass a budget and frankly, shutting down our state government is a frightening prospect." ❖

* * *

KENLEY SAYS BUDGET FURTHER AWAY: Republicans and Democrats are working on separate plans with seemingly little optimism about finishing by June 30 (Associated Press). "I think we're further from getting a new budget than when the (regular) session ended," said Senate Appropriations Chairman Luke Kenley, R-Noblesville, who continued a public hearing on the budget last week after Democrats walked out. "I just can't tell what their attitude is," he said of Democrats. "It's either a failure to recognize the difficulty of the financial situation and the need for us to reduce our expenditures or it's just such a different philosophical approach."

* * *

BAUER NOT SURE JUNE 30 DEADLINE CAN BE MET: House Speaker Pat Bauer said his caucus has identified at least "20 poison pills" in the governor's plan -- so many that it must essentially be discarded (Associated Press). "I've been here before, and these things will work out in time," said Bauer, D-South Bend. But he's not sure that time will come before June 30. "I'm not sure, when we start over, we can get it done in a few weeks," he said.

* * *

BACK TO SQUARE ONE SAYS LONG: "We are basically back to square one," Senate President Pro Tem David Long, R-Fort Wayne, said Wednesday (Evansville Courier & Press).

Not so funny numbers

By SHAW FRIEDMAN

LaPORTE - What did he think Indiana House Democrats' reaction was going to be? To paraphrase former state Republican chairman Rex Early, did he think they "just came in on the Noon Balloon from Rangoon?"

It was obvious that they would hit the proverbial ceiling once they discovered that the governor's so-called 2% increase in education funding was made up mostly of one-time, restricted federal stimulus funds. In actuality, according to the executive director of the Indiana Association of School Business Officials, Dennis Costerison, the governor's latest proposal for public schools is actually flat-lined. Under the governor's proposal, 57 percent of school corporations will receive less money in 2010.



So why puff the numbers unless you really want confrontation with House Democrats? Many have felt that this governor continues itching for a fight with

both local government officials and local school leaders. Rather than the 'kinder, gentler' Mitch we all saw carefully portrayed before the 2008 elections, this is "Mitch the Blade" revisited. His confrontational, take-no-prisoners style is surfacing again, now that he has a four year hitch under his belt.

Anyone following Daniels' career as OMB director would remember that one time the Republican-controlled U.S. House of Representatives tacked language onto a bill that formally accused Daniels of fudging facts and warning "that his flagrant and flippant disregard of the need to inform Congress adequately must cease." (Washington Post, 1/20/03). So cocky and confrontational was Daniels with members of Congress that the director of the Center for Public Service at the non-partisan Brookings Institution, Paul Light, warned after hearing that Daniels was running for governor "that there is a question to be raised about how well Mitch Daniels would deal with the legislature." (Indianapolis Star, 4/25/04).

Well, Mr. Light, there's no wondering anymore. Hoosiers expect their governor to be a uniter, not a divider. And they certainly expect their governor to be honest in his use of facts and numbers to support his positions. Can anyone ever imagine a Doc Bowen claiming an increase in education when he knew there was actually no increase at all?

It didn't take House Democrats long to see through the "funny numbers" in the governor's education budget and to call him on it. The truth is we'll never see a budget deal gained in this special session if this governor doesn't offer honest numbers and a willingness to compromise. ❖



Baron Hill talks about the cascading issues in Obama's DC

By **BRIAN A. HOWEY**

INDIANAPOLIS - The events of last Monday - a Supreme Court decision on Chrysler, an emerging health care plan, debates on energy and budget deficits - provided an intriguing backdrop as I sat down for this interview with U.S. Rep. Baron Hill in the main concourse of the Indianapolis International Airport.



Hill was catching a flight back to Washington but spent almost 40 minutes working his way through the cascading events that are making 2009 as compelling in a policy sense as 2008

was politically:

HPI: What changed in the Waxman-Markey bill on the version you voted for in committee and the original?

Hill: It's got a long way to go before it becomes

law, that's for sure. The original bill started out with the 100 percent allocation and 100 percent options on the allocations. That would have dramatically driven utility rates up. That's one thing that was changed. It's now 90 percent of the allocations are free for the utility companies. So that will tamp down any kind of the rate increases we might expect. There was the original proposal to do 20 percent renewables. That has remained the same but we changed it to 12 percent renewables with 8 percent on efficiencies with a 3 percent swing. That gets a little complicated, but that means you can go 3 percent either way from 15 percent. When I say 3 percent that gets it down to 12 percent on the renewables. You'll have room for 8 percent on efficiencies. There was clean coal technologies that were put in there. That's to permit Indiana utilities to convert to carbon capture and sequestration. That will actually fund a lot of projects the utility companies will put in place.



HPI: Is Duke Energy's Edwardsport plant considered clean coal?

Hill: Some people would not define that as clean coal. It's not 100 percent carbon capture. It's like 35 percent carbon capture.

HPI: Can we get to pure clean coal technology in the next 10, 20 or 50 years?

Hill: In my view, coal must be part of the solution. Coal can be used in the future in clean ways, capturing 100 percent of the carbon. Technologically or theoretically that's possible. Then why shouldn't we do it since we have an abundance of coal here in Indiana? It reduces our dependency on foreign oil. It's a provable source of technology that we know we can make it clean. It's being done now, it's not some pie in the sky thing. We can clean the carbon now. Now the idea of sequestering it into the ground is theoretical. Scientists think it can be done, but it's never been done on a mass scale. So utility companies have been unwilling to invest huge sums of money into this technology when it's not proven yet. There is no doubt, however, that you can capture the carbon and sell it on the open market to oil companies, for example, who use in ways to get oil out of the ground. So that's being done now. The tricky part of it is the sequestration part of it to get it into the ground, which I believe can be done. That's the reason we put this language in there for funding some of these

projects so these utility companies can use that funding in order to develop those kinds of technologies.

HPI: I look at 1909 and then where we ended up in 1940. There were huge technological leaps then. Can we expect that now in the coming decades?

Hill: Yes. I think there's an opportunity here, despite what the governor said and Mike Pence said in their editorials. They miss the boat. There is huge potential for us to do the right thing in terms of the environment and to create a lot of green jobs.

HPI: The governor said in his Wall Street Journal op-ed that all the cap and trade elements wouldn't lower the earth's thermometer by even half a degree.

Hill: He's wrong.

HPI: Feel free to retort.

Hill: By the year 2020 we will have reduced in this



bill, if it gets into law, our carbon imprint by 17 percent. By 2050 we will have reduced it by 83 percent. So for the governor to say, just blindly without any kind of authority or scientific proof, that the cap won't do anything in reducing the carbon footprint that goes into the atmosphere, is something that is not based upon the facts. This is why it is important for us to write a bill. If we don't do this in Congress, then the EPA is going to. There was a case that was brought down by the Supreme Court from Massachusetts that gave the EPA the authority to do it. So I think it's important for us to be doing this as Members of Congress as opposed to doing through the EPA.

HPI: Indiana agriculture is not part of Waxman-Markey. Will it be?

Hill: I don't think so. I don't think agriculture is going to be affected by this bill. We've got a problem. We've got to correct it. It's going to cost us more money in the long run.

HPI: That's the other thing Gov. Daniels has said, that utility rates will double even though industry sources say they were poised to go up significantly anyway.

Hill: I'm a little bit surprised that the governor would be so unfactual. There's a problem and we've got to fix it. We're trying to do it so there isn't damage to rate payers and I think we're doing that. As this bill goes through the House and Senate and is signed into law by the president, I think it will get even better for the rate payers in Indiana. If it's so bad a bill, why would all these people endorse it. (Hill hands HPI a list that includes a dozen utilities including Duke Energy, big oil, and companies like U.S. Steel, Alcoa, Caterpillar, General Electric and the Detroit 3



Candidate Barack Obama with U.S. Rep. Baron Hill at Assembly Hall in Bloomington. Hill gave Obama a critical endorsement prior to the 2008 Indiana primary. (HPI Photo by Chuck Schisla)

"I'm a little bit surprised that the governor would be so unfactual. There's a problem and we've got to fix it. We're trying to do it so there isn't damage to the rate payers and I think we're doing that."

percent. So how are we going to do that? One of the things I've inserted in there is language in the form of an amendment that would allow Duke Energy to burn garbage, solid waste. It would burn solid waste in a way that emits no carbon into the atmosphere. The technology exists to do that. It's good for landfills, it's good for Duke, it's good for the environment in general so I was glad to insert that language in there.

HPI: How long would it be before each Indiana solid waste district could have the equipment to produce energy? And what would it take in terms of investment to do so?

Hill: I don't know the dollar amount, but it's doable.

HPI: So by 2020 we could have landfills producing energy?

Hill: Yes. I had a company in my office a month and a half ago that's ready to go to do this. They've got the technology and all that has to be done is the investment made. That will be done in just a couple of years.

HPI: You're a Blue Dog Democrat. Do the deficits in the Obama budget worry you? Are you conveying this to President Obama?

Hill: I'm joining with the president tomorrow to

automakers).

HPI: Pence and Buyer were critical that Waxman-Markey did not include nuclear energy.

Hill: There is a chance. I'm working with (U.S. Rep.) Fred Upton on an amendment that adds nuclear energy.

HPI: Is it possible to get nuclear plants on line in less than a decade?

Hill: We can get nuclear plants on line in five years. If the French can do it, why can't we?

HPI: Anything you'd like to add on Waxman-Markey?

Hill: Indiana only gets .4 of a percent in clean energy from renewables. The bill requires you to get to 15



announce new statutory paygo rules. If you cut taxes or increase spending, you've got to figure out a way to pay for it. Those rules were in place in the 1990s when Bill Clinton was president and we had a surplus. We had an election and George Bush was elected president and the rules were sunsetted. All through the last eight years those rules have not been in place. That \$1.8 trillion budget deficit we have? It was inherited by President Obama. He is doing some things that are increasing that. But all of the Blue Dogs have been told by the president that he is serious about trying to get back to a fiscally responsible path. He has told me on a number of occasions, "Baron, we've got a problem. We've got to jump start it. In order to keep the economy from going into a depression we've got to do these sorts of things. We'll have to borrow money to do it." He told me personally, "You have my word. Once we get all this taken care of, we'll be back on a path of fiscal responsibility through statutory paygo." Now what I mean by statutory, it's going to be the law. So tomorrow (Tuesday) at a press conference I'm going to be with President Obama, who is introducing his own bill that will reinstate statutory paygo. I believe that given time, if we get this passed, and he's made every commitment to me and Nancy Pelosi and Steny Hoyer that he will do everything he can to get passed, so we can go down that path. He believes, like I do, that if we don't, the bond ratings are going to start dropping.



"I had a great deal of angst when I was asked to vote for this. The president assured me that he would get us back on the path to fiscal responsibility."

HPI: How would you explain this to the man on the street?

Hill: I had a great deal of angst when I was asked to vote for this. The president assured me that he would get us back on a path to fiscal responsibility. He deserves to get what he wants. He won by a strong majority. He is the president. I have to take a step back and suspend my rigid budgetary rules I like to play by and give him a chance to get this thing worked out.

HPI: Are you taking a lot of flak from your constituents?

Hill: Not a whole lot. I get some. But not as much as I thought I was going to get. I get it from the Republicans and I remind them that this is the result of the last eight years right now.

HPI: We are awaiting a decision by Justice Ginsburg on the Chrysler merger. Are you surprised how the Daniels administration has approached Chrysler and GM during this bankruptcy sequence?

Hill: I'll answer that question by saying this: The automobile industry is hugely important for our economy here. We need to be more attentive here in Indiana in helping the auto industry any way we can. I, quite frankly, am surprised the governor has not been more attentive to it, knowing how important it is. In Southern Indiana, we don't have any automobile plants other than the one in Greensburg (in Hill's 9th CD). But we have a huge amount of

automobile suppliers. There's a big one in my hometown of Seymour and they've had to lay off employees. It's important we have a strong, thriving, prosperous auto industry here in Indiana.

HPI: The governor appears to be betting that the future of the Indiana auto sector is with the coming hybrids and electrics and writing off the Chryslers and GMs. It's a stance that history will ultimately answer. Do you believe that the Detroit 3 can regain profitability? Is that a bet you're comfortable with?

Hill: Yes. They are going to have to go through a lot of pain and agony to get there, but the changes they are making can make them prosperous again. It's going to be difficult here in the next year or two, but we need to be engaged to make sure they can get back on their feet.

HPI: It was a very sad day when I turned my Ford F150 in on a lease last December. Do you believe the Detroit 3 have turned the corner and will emerge with cars and trucks that Americans will want to buy? And will there be an F150 that gets 40 mpg?

Hill: I think with the cost of the price of gas, which just went back up again, Americans will change their ways. I don't want to see \$4 a gallon gas again, but people have to understand that we have to change the way we travel. They will. I think they will buy different cars. General Motors, for example, has already started to change their lineup and what kind of cars they will be producing. Those cars will be available to the public and I think they will respond.

HPI: What should we be looking for in the next two or three months?

Hill: We're going to be looking at a system where if you've got health coverage now, that won't change any. People will need to know that, first of all. We've got to get control of costs. We have to reform the system and get control of costs. It's not just about insuring 47 million people. It's about getting hold of these costs because the costs are affecting our economy. I believe we need to reform health care. I believe that's going to happen this year. There's going to be a mandate of some kind to make



sure everybody has insurance, no pre-existing conditions, and we'll have mobility. People can choose. Those are the pillars of what the system will look like. There are going to be changes in how it's paid for.

HPI: The dilemma may come down to taxing benefits, which President Obama was sharply critical of John McCain in their first debate last fall. Is that a fair assessment of where the president is at?

Hill: I don't want to go there yet. The rubber meets the road in terms of how we're going to finance this. I want to look at other proposals before we go there.

HPI: Any idea on what kind of other proposals are coming up?

Hill: I don't want to go there yet, Brian.

HPI: This president is front-loading an unprecedented amount of change in his first year in office and is then counting on Americans seeing tangible results. Is that a fair assessment?

Hill: It is. He's said on more than one occasion the economy is not going to be that well off next year. He's said that unemployment is not going to be in a good place and that's not going to be good for people like myself. We have to have health care reform. If we can point to that and tell people that help is on the way and it started with health care, that's a positive sell.

HPI: This is more of an observation than a question so you can comment on it if you like: we had a historic election last year and it's almost like many people haven't pulled away from the old paradigm when clearly a new one is underway. If you're looking at what's happening now in a way you would have six, eight, 10 years ago you're going to be alarmed and terrified. Yet we've pivoted away from the status quo on energy and health care. Do you think that's a problem for Republicans who aren't grasping the vision? Or providing a credible competing one?

Hill: There are Democrats who have not comprehended it either. I'm still trying to learn the new paradigm. But I know this: there were 17 million new voters last year and over 90 percent of them voted for Sen. Obama. In Indiana that's true as well. In 2004 John Kerry lost my district by over 20 percent. In this last election President Obama lost it by one and a half percent. There's a new paradigm in Indiana politics today and it's change. It was 44 years since

we elected a Democrat (president) in Indiana? That didn't happen just by luck. It's a new paradigm and we better grasp it.

HPI: Are you going to take a look at the 2012 governor's race?

Hill: My focus, Brian, is on 2010.

HPI: I had to ask.

Hill: I know. We'll see what happens after 2010. I'm committed to serving another term in Congress after this one.

HPI: When would you have to make a decision on 2012?

Hill: Different people give me different advice on that one.



Rep. Hill with Gov. Joe Kernan at Scottsburg during the homestretch of the 2004 campaign where both would lose. Hill made his comeback in 2006 and has run a statewide Senate campaign. (HPI Photo by Brian A. Howey)

HPI: What's Mike O'Connor telling you?

Hill: Well, we've had some discussions about it. I wouldn't want to say anything is definite. I haven't made up my mind. I'm keeping it as an option out there. People want me to take a look at it and I will.

HPI: Can you do what David McIntosh did in 2000 and run while in Congress?

Hill: Yes. There have been members of Congress other than David McIntosh who have done it. I think the Democrats just did a good job of holding his feet to the fire during that time. I hope, if I do decide to run and I genuinely have not made that decision - I need to sit down with my wife and family and talk about it more - but in answer to your question I think I can be a member of Congress and run. ❖



McVey proposes a challenger winnowing

By BRIAN A. HOWEY

INDIANAPOLIS - Endorsements and field winnowing characterized the Republican 5th CD primary race this week. But there were twists.



Brose McVey presented what he called a "bold" field winnowing. It includes conducting several substantive policy forums this fall where the announced challengers would gather to debate the issues; by Oct. 15. Then the challengers would begin developing a broad cross-section of criteria

by Dec. 1 to be used to measure candidate viability in the May primary. All candidates would be asked to publicly declare their adherence to the process. Credible third-party polling data would be used to determine who likely GOP primary voters believe is best suited to represent them. Finally, between Jan. 15 and Feb. 1, a meeting of the challengers and their top supporters would be convened for purposes of reviewing the previously agreed upon criteria and reaching consensus on the top performing candidate.

If this method is followed, McVey contends, there would be one main primary challenger to U.S. Rep. Dan Burton. He likened it to a presidential campaign emerging after the primary and caucus process where a candidate is "highly vetted" and the "grassroots and resources consolidate behind them." McVey said that it would "maximize public participation."

"We aren't aiming this at candidates and expect them to embrace this," McVey said Wednesday. "I'm going to judge it on whether P.E. MacAllister or Jim Kittle or John Mutz nods their head at it. If they nod at it, then I think we'll have accomplished our goal and then you might get the other candidates to follow."

Reaction from at least one other campaign was negative.

"It demonstrates that these guys can't raise the money and raise the actual endorsements that Luke has done," said Jen Hallowell of Luke Messer's campaign. "It indicates they can't raise the money."

She labeled the McVey proposal and a press release issued by State Rep. Mike Murphy's campaign on Monday as "bizarre behavior."

The Murphy release explained: "Shelbyville Mayor Scott Furgeson, Clerk-Treasurer Rod Meyerholtz, and for-

mer mayor and county economic development chief Dan Theobald today joined to ask voters of the 5th Congressional District to take a serious look at Rep. Mike Murphy's record of legislative leadership and his work to help elect Republicans in Shelby County. All three officials continue in their support of Congressman Dan Burton, but each said if voters are looking for an alternative, Rep. Mike Murphy would be the clear choice."

Hallowell called the Murphy release a campaign first. "I've never seen anyone send out a press release about someone else's endorsement," Hallowell said. "He essentially is saying that these people have endorsed Burton, but then Murphy is a second choice. That's bizarre."

BURTON BLOG SEES TURNING POINT: U.S. Rep. Dan Burton has blogged that the United States is at a fateful crossroads. "We are at a turning point in the United States history," Burton said. "We have the chance to turn towards the path to success or the road to failure. The United States forthcoming decisions regarding the recession will determine our future as a country. At this time, the American debt affects you as an individual, your family, your family yet-to-come, your town, your city, your state, and your nation."

STOCKTON TO CHALLENGE ELLSWORTH: Bainbridge Republican Dan Stockton has tossed his hat into the ring early to challenge incumbent Democrat Brad Ellsworth for the 8th U.S. Congressional District seat (Terre Haute Tribune-Star). Ellsworth is up for re-election in November 2010. A native of Bainbridge, Stockton announced his candidacy Saturday at a local fundraiser. A news release said Stockton currently works in the automotive manufacturing industry and is active in his local community theater "as well as heavily involved in motorcycle rights." The release said he writes a column in "The Hoosier Motorcyclist," is a regular blogger for the newspaper in Greencastle, and has "been recognized for his contributions to journalism and for his service to the community as he is actively involved in supporting local charities." The news release also stated that Stockton's "platform is one that promises elimination of pork barrel and deficit spending, putting more money in the average American's pocket." He is quoted: "America will get back on its feet when Washington knows where we stand."

SKILLMAN ENDORSES YOUNG: Lt. Gov. Becky Skillman endorse Paoli attorney Todd Young in the 9th CD. Speaking at a fund-raising event for Young in New Albany, Skillman said, "Todd Young represents my values, and I know he represents yours." Young is the only Republican who has officially entered the 9th CD to challenge U.S. Rep. Baron Hill. ❖



The undoing of a deal on elected judges

By JACK COLWELL

SOUTH BEND - A multi-million-dollar deal in the Indiana General Assembly involves playing politics with St. Joseph County courts and creating three new, pricey but unneeded state judgeships.

It's a done deal.

But thanks to Gov. Mitch Daniels, who wanted no part in a scheme that would have brought delight and dollars to former Illinois Gov. Rod Blagojevich, the deal could be undone.

The dealers still could prevail, however, if they override Daniels' veto.

Here's the deal:

A bill to scuttle the merit selection system that has worked well in the county's Superior Courts for over 35 years was passed in the House. It would replace merit appointment with an election process similar to that which has brought

such stability to the South Bend School Board. Some St. Joseph County legislators want the change for various political reasons, including desire to get their hands on judgeships for themselves, their families or their friends. They claim their motive is love for democracy. Lust is involved.

The bill was amended in the Senate to add a provision for three new Court of Appeals judges and 16 additional staff members. The conservative cost estimate is \$2 million a year initially. To handle those courts, millions more would be needed in the future for the attorney general's office and public defenders. Additional judges aren't needed. But some powerful legislators in the Republican-controlled Senate want them, because they would be appointed by a Republican governor, as a price for going along with the St. Joseph County court change passed by the Democratic-controlled House.

The bill in done-deal form was approved by both chambers.

Blagojevich would have been part of the deal, seeking bids for judgeships.

Mitch Daniels was not part of the deal.

He vetoed it.

In his veto message, Daniels said: "The current method of selecting judges for the St. Joseph Superior Court has prevailed successfully for 35 years. It is a model to be emulated, not discarded. It is not broken; it requires

no repair. It has produced outstanding jurists and contains sufficient measure of public accountability. I believe it neither necessary nor wise to re-politicize the courts of St. Joseph County."

There has been no scandal on those courts since the system was implemented after horrors with some elected judges. Recently in neighboring counties, elected judges have been removed, suspended or forced to resign; three in Elkhart County, two in LaPorte County.

Sure, an occasional decision is controversial. There is no controversy-free system.

Maybe electing judges from a bunch of names, some sounding familiar, would bring better judges.

Maybe Tony Zirkle, the controversial perennial candidate who sometimes comes close, could win in a crowded race.

Maybe having judges funded and backed by special interests, political bosses and attorneys who practice before them would improve justice.

Maybe 30-second TV spots would provide all that's needed on judicial qualifications.

In his veto message, the governor also made clear he wanted no part of any Blagojevich-style deal for more appointments.

Said Daniels: "The addition of another panel of the Court of Appeals at \$2 million per year is difficult to justify in today's challenging fiscal environment. Moreover, if I were to sign a bill linking these two proposals, it could contribute to public cynicism by creating the appearance that my acquiescence was purchased with more appointments. Whatever the merits of expanding the Court of Appeals may be, they should be considered alone."

Appeals Court judges aren't seeking additional help. They're doing just fine.

Joel M. Schumm, professor at Indiana University School of Law in Indianapolis, put it this way: "Imagine a company does its job more efficiently than any similar company anywhere in the country. Its workload has remained steady over the last couple of years but has declined thus far in 2009. Employees might worry about downsizing in light of the tough economic times. Not in the world of government, though. It's time for a 20 percent expansion."

The professor said the court "is rightfully proud of being the most efficient appellate court in the country," with average age of pending cases falling from 1.6 months in 2007 to 1.1 months in 2008.

Schumm calls the done-deal bill "government waste at its counter-intuitive worst."

But in Indiana, it only takes a majority vote to override a veto of such waste. ❖

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





Urban gateways deserve attention

By **MORTON J. MARCUS**

NEW YORK - This is my home town which I am visiting for a few days. I love it, but can afford it for only a few days. We'll see some relatives and some sights; some of our relatives are sights.

One joy of New York is entering the city from the north via the Palisades Parkway on the Jersey (west) side of the Hudson River. Careful planting hides the suburbs that line the route until, suddenly, you are confronted with Manhattan and the stately George Washington Bridge.



Morton Marcus
Column

By contrast, entering NYC from the south along the NJ Turnpike is a study in the industrial glamour of a great city. The problem is that few motorists have any appreciation of industrial glamour. The oil storage tanks and rail yards

that line the ten-or more lanes of the Turnpike are not viewed as art objects. The giant cranes that transfer containers between land and sea carriers are beautiful only to those who appreciate the romance of commerce.

As I grew up in New York City, northeastern New Jersey was an ugly place where uninteresting relatives lived boring lives. This trip has revealed a beautiful New Jersey, close to NYC but affording outstanding residential and recreational pleasures where highly valued relatives contribute to the intellectual and artistic enrichment of our nation.

Nonetheless, today's resident of New York City going anywhere west is most likely to see New Jersey as I did 50 and 60 years ago. The attractive aspects are hidden from casual view.

Now think about our Hoosier cities. Indianapolis offers spectacular views of downtown from I-65 and I-70 in both directions.... as long as you focus on the buildings in the distances and do not look at the properties you are passing. Fort Wayne's major entryways are commercial

streets of little distinction. Evansville's best approach (I-164) skirts the city until you are at the riverfront, which is delightful.

Jeffersonville and New Albany offer no views of interest as you cross north over the Ohio River on I-64 or I-65. Nor do they present any invigorating aesthetic aspect from any other direction. South Bend and Terre Haute, Kokomo and Logansport have no identifiable gateways of distinction.

We need not have an arch to rival St. Louis, but more communities could copy work done on the north side of Bloomington and the west side of Columbus to welcome visitors and bolster the pride of residents. This is not an endorsement of Steak 'n' Shake along the park-scape of Bloomington or the McDonalds near the I-65 entry to Columbus. However, both cities deserve credit for their attempts to provide visitors and residents with enriched experiences entering their respective cities.

The circumstances most like New Jersey and New York City are to be found in our state in Lake County, outside Chicago. Drivers using the Indiana toll road see what looks like industrial decay and desolation. With the exception of Wolf Lake, this apparition prevails to the Porter County border. No one could imagine living amid this sustained horror. Only the most hardened could contemplate creating a business along this corridor of corrosion.

Similar remarks could be made about I-80/94 crossing Lake County from Hammond to Gary and the two interstates entering Indiana from Louisville.

Yet today New Jersey is one of the very richest states in the nation as New Yorkers have moved across the Hudson. Where once living in Jersey was a cultural death sentence, hundreds of thousands now live and work in New Jersey as economic adjuncts to the New York behemoth. What turned New Jersey from a pariah to a partial paradise? Can

the same happen at our borders with Chicago and Louisville?

Or is this too a matter to be set aside until that elusive time when today's hot topics cool? ❖

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





Mourdock's version of Russian Roulette

By **DAVE KITCHELL**

LOGANSPORT - For much of the past dozen years, a Vanderburgh County official has made his way to GOP Lincoln Day dinners across Indiana.

That official eventually was rewarded with a slot on a statewide ticket after logging thousands of miles from Evansville to other county seats, which is Indiana campaigning the hard way – as hard as it gets. Evansville is closer to more cities in Kentucky and Illinois than Indiana.



This same official became the designated Republican to succeed the highly respected Tim Berry, who under state law could not serve a third term as state treasurer. Yet he had no credentials to oversee, manage, invest or

spend billions in state revenue, particularly at a time when the economy is in recession and one Indiana county has the highest unemployment rate in the nation.

Today, that official, Richard Mourdock, is the person who stands between one of Indiana's hallmark employers remaining in business and averting some state pension fund losses. If he gets his way, Indiana's pension funds will gain about \$6 million and be charged at least \$2 million in legal fees to challenge the Chrysler-Fiat merger. That could mean the liquidation of Chrysler and the loss not only of 6,000 jobs in Kokomo, but thousands of others in Indiana and other states where there are either Chrysler dealers or Chrysler, Dodge or Jeep parts manufactured. Sure, Mourdock may be able to save \$6 million this year for Indiana pension funds, but just what will happen in the future to other stocks in the portfolio if Chrysler is no more? It likely could hurt the portfolio even more for many years.

And if Mourdock doesn't think the current revenue forecast for the state is a good one -- and Gov. Mitch Daniels would argue it isn't -- then what will it be if thousands of high-paying jobs in Kokomo and thousands more at Chrysler dealerships across the state are lost? It can't be good for the Indiana economy. It also can't be good for state tax revenue or pension funds.

And how will Mourdock's own

spending on legal fees be reined in if the legal bills soar well past the current reported \$2 million? Good question. Governor, would you care to take that one? For that matter, will Mourdock be spending like amounts to prevent other market losses?

There can be no argument among Republicans that Mourdock deserved a chance to run and serve in office given his party loyalty and a decision to step aside at one point so another candidate could run for an office he was seeking. But there has to be argument among Republicans and all Hoosiers now over the wisdom of the decision. In a strange way, Mourdock is making the best case for removing state treasurer from the list of elected offices in state government. Only in America could a man with virtually no major fiscal credentials grind one of the most important bailout deals in American history to a halt. He is the secured bondholder tail wagging a corporate dog. But what is it that Mourdock or his attorneys know that no one else on Wall Street or Washington does?

Funny isn't it? Hoosiers wouldn't dare elect someone who isn't a lawyer to be attorney general or have someone who isn't a doctor to be appointed as the state health officer, but when it comes to our tax money, we don't care if the person in charge can do as much as balance their checkbook. All they have to do is win.

Despite the outcome of the Supreme Court's review of the Chrysler-Fiat merger, Mourdock has chosen to brandish a loaded gun to play Russian roulette with Indiana finances. He is arguing that the Fifth Amendment is at stake, and that the government can't do what it has proposed in bailing out Chrysler. Hoosier voters may claim their voting rights are more important than their Fifth Amendment rights when Mourdock is up for election in 2012.

John Ketzenberger of the Indianapolis Star concluded in a June 8 story that Mourdock won't carry Howard County in 2012. Let's go a step further and predict he won't carry Indiana either.

If anything, Mourdock could have better spent \$2 million bailing out the stalled Getrag plant project in Tipton County that went belly-up and took local contractors with it. Instead, he has elected to place all his political capital and much of the state's on a Las Vegas-style roulette wheel.

He can do Republicans, Daniels and all Hoosiers a favor by cashing in what chips he has and resigning his office. ❖

Dave Kitchell is a veteran Indiana journalist who teaches journalism at Ball State.

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Rich James, Post-Tribune: of my colleagues said the other day that U.S. Rep. Peter Visclosky is so squeaky clean he's boring. What do you expect from someone who has a doctorate in international law? Bright, but boring. I'm not ready to say he's no longer squeaky clean. But he sure as heck isn't boring of late. Visclosky, of course, has had his campaign and congressional office records subpoenaed as part of the federal investigation in what was the lobbying firm PMA Group. Some of his staff members, too, were handed subpoenas. When you're squeaky clean, this is pretty heavy stuff. As Visclosky was announcing all this, Chuck Brimmer, his chief of staff and hatchet man, suddenly disappeared. Visclosky said he retired. As chairman of the Appropriations Subcommittee on Energy and Water, Visclosky has secured more than \$20 million for PMA and its clients over the years. In return, Visclosky has received more than \$1 million in campaign contributions from the aforesaid firms. As distasteful as that is, it is legal as far as one can tell. A congressman secures money for a lobbying firm, and a week later the campaign contributions arrive in the mail. Ah, the American way. Isn't it great? About the only good thing one can say about Visclosky getting campaign donations from PMA is that he doesn't suck money out of Northwest Indiana. When he has a campaign function here, it is a dog-and-suds for \$5. I suspect that Visclosky has been caught in the broad net that the feds have thrown out in an effort to nail someone in PMA or even Congress. ❖

Daniel Howes, Detroit News: The implications of how the Supremes rule -- if they decide to review the case -- could be enormous for business in America. Here the promise and fact of an economy governed by the rule of law has been a cornerstone of commerce, distinguishing us from the arbitrary predations of political strongmen, demagogues and populist backlash. This is a crossroads. Not just for Chrysler, likely to collapse into liquidation if its alliance with Fiat is not consummated by June 15 or so. But for the credibility -- legality, even -- of the Obama auto task force's effort to steer two of Detroit's three automakers through bankruptcy and onto a road to revival. Team Obama should welcome a review by the Supreme Court. Otherwise, its heavy-handed auto bailouts risk being de-legitimized by the taint of potential illegality and "crony capitalism" that rewards friends (the UAW) at the expense of the political undesirables (the investor class, post-global financial meltdown). But that's not all. The auto task force's pressure tactics with Chrysler's secured bondholders and the unsecured bondholders in bankrupt General Motors Corp. send a chilling message to the capital markets -- namely, the rules governing investments don't apply if they clash with political goals. How, exactly, would these emerged-

from-bankruptcy companies raise private capital in the months and years ahead? Who would invest in a "new GM" and Chrysler-Fiat, given the pounding suffered by the Indiana funds, creditor Perella Weinberg and others who resisted the government cram-down? Successful automakers consume large amounts of capital every year to finance operations, develop product and do advanced research. If the likes of the Indiana pension funds or private equity players won't plump for GM and Chrysler, they'll once again become cash-starved and remain dependents of the federal government. Would this be the business model the president deemed "viable?" Or would it be an unintended consequence of manipulating the process to ensure a politically acceptable solution to a Democratic president whose party controls Congress? For tens of thousands, this is not an arcane legal opinion, far away. It's the difference between a job and looking for one. ❖



John Ketzenberger, Indianapolis

Star: You might call Indiana Treasurer Richard Mourdock the \$6 million man. That's the amount of money Indiana is haggling over in the billion-dollar Chrysler bankruptcy. It is money that Mourdock said should go to the pensions of cops and teachers, but the legal wrangling has already cost \$2 million and thrown doubt on the government-brokered bankruptcy. Mourdock's case was strengthened Monday when the U.S. Supreme Court called a timeout, but the first-term treasurer can't outrun the pointed criticism coming from autoworkers, Chrysler and the federal government, who fear delay will kill a sale to Fiat. "I'm not doing this for attaboys. I'm not doing this for criticism," said Mourdock, a Republican from Evansville. "I'm doing this because I took an oath of office." Indiana got into the fight because last summer the Indiana State Police Pension Fund, the Teachers Retirement Fund and the Major Moves Construction Fund bought \$42.5 million worth of secured Chrysler bonds. The state paid 43 cents on the dollar for the bonds, a hefty discount that reflected how risky the bonds were, but it was a show of support for a company important to the state. "I'm getting e-mails from people in Kokomo and at Chrysler now that say that I'm trying to cover up a bad investment," Mourdock said. "Wait a minute -- we invested in you." Chrysler sold about \$6.9 billion worth of the bonds, most of it held by major investment banks and hedge funds. By law, the bond buyers would be first in line to receive compensation if Chrysler declared bankruptcy. Even last summer that was unthinkable. But the unthinkable happened last month, and when the federal government dictated terms, the secured bondholders were told they'd get 29 cents on the dollar, or \$6 million less than Indiana paid for the bonds it bought in July. ❖



No more money for Chrysler, GM

WASHINGTON - President Barack Obama's auto task force told skeptical lawmakers Wednesday the government had no plans to pump more dollars into General Motors and Chrysler and that the public had a "reasonable probability" of getting its money back (Associated Press). Ron Bloom, a senior adviser to the task force, faced numerous questions about the roughly \$80 billion in federal aid to the car companies, their lending affiliates and suppliers. He said the Obama administration's efforts had given the automakers "a chance to become viable, competitive businesses with bright futures." "We strongly believe this is the last money that GM will require. I cannot make a promise about the future but I can assure you that it has been a vigorously debated and thought about question," Bloom told the Senate Banking, Housing and Urban Affairs Committee. "I do believe that there is a reasonable probability that we can get most if not all of our money back," Bloom said.



Daniels defends Treasurer Mourdock

INDIANAPOLIS - Gov. Mitch Daniels came out swinging Wednesday in defense of embattled state Treasurer Richard Mourdock and his unsuccessful effort to protect Indiana pension funds by challenging the sale of Chrysler Corp. to Italian automaker Fiat (Bradner, Evansville Courier & Press). That effort died Tuesday when the Supreme Court declined to hear the Indiana pension funds' challenge. Critics have accused the treasurer

of political grandstanding and said he was jeopardizing the auto industry jobs the sale could preserve. But Daniels said Mourdock "was doing his duty, and he did it bravely. I think it was one of the most principled and gutsy things I've seen an elected official do in a long time," the governor said. Rebuffed by the courts and battered by political opponents, Mourdock still said Wednesday he'd do it again in a heartbeat. Every once in a while, Mourdock says, he rereads that oath. It's a reminder of his duty to protect the Hoosiers who elected him, he said. "I would never ask any other elected officeholder, Democrat or Republican, to ignore the law," Mourdock said. "And just the same, I take my oath of office very seriously."

Murdock explains 'risky investments'

INDIANAPOLIS - Mourdock acknowledges there was an element of risk to the investments, but said they were made with the understanding that the Indiana funds would be first in line in a bankruptcy (Evansville Courier & Press). "Well, duh," Mourdock said. "What kind of idiot would ever buy an investment if they knew the company was going into bankruptcy. At the time these investments were purchased, Chrysler was starting to rebound." Daniels called the investments "very conservative." "Here's the irony," Daniels said. "These three Indiana funds did what seemed prudent and also patriotic. They loaned money to a desperately struggling company. But they had security. They had collateral for it. "This appeared about the safest, most prudent investment they could make."

Pence backs 100 new nuke plants

WASHINGTON - House Republicans are calling for a hundred new nuclear power plants to be

built in the next two decades as part of an energy plan they say is a better alternative than one championed by Democrats (Columbus Republic). The legislation unveiled by the GOP Wednesday would also increase production of oil and gas offshore, open the Arctic National Wildlife Refuge to drilling and spur refinery construction. The money from the new drilling would go into a trust fund that would pay for the development of renewable energy. "You have a conflict of visions between the Democratic approach and the Republican alternative. It is a difference between the carrot and the stick," said Rep. Mike Pence, R-Ind., who chaired the Republican task force charged with developing the legislation, which will be introduced this week.

Rep. Clements discusses allegations to press

FRANKFORT - State Rep. Jacque Clements vowed Wednesday to represent her district well at the special session of the Indiana General Assembly, which starts today in Indianapolis (Kokomo Tribune). But the former Clinton County Auditor is under fire back in Frankfort, where she's being sued by the Clinton County Board of Commissioners. Wednesday, Clements held a press conference at Frankfort's Old Stoney Building, denying any wrongdoing and vowing to clear her name. "I want everyone to know the allegations against me are untrue. I should not have to prove them as untrue, but I can," she read from a prepared statement. In her statement Wednesday, Clements addressed each of the allegations in turn, providing e-mails and other documentation to bolster her case. "How they can make allegations against me, in light of what is clearly set out in the documents I am providing, is a mystery to me," she read. "Unfortunately, although I am a victim of these false allegations, the taxpayers of Clinton County are greater victims."