



# Daniels joins Bayh on family sidelines

### Governor's decision to opt out of presidential race alters Indiana landscape

By **BRIAN A. HOWEY**

INDIANAPOLIS - For the second time in 18 months, a towering Hoosier ruling figure chose family over ambition, significantly altering the political landscape that has undergone dramatic change here in the past decade.

As was the case with former U.S. Sen. Evan Bayh, the public fate of Gov. Mitch Daniels' wife and family played a significant - though not primary role, he said - in his decision not to seek the Republican presidential nomination.

Daniels' riveting statement to the Indianapolis Star late Saturday night ended one of the stranger chapters in Hoosier politics with a draft movement for the presidency the governor insisted he didn't start and didn't intend. But it seemed to mirror a similar scenario that emerged between 2002 and 2003 when he entered the gubernatorial race.

"Over the last year and a half, a large and diverse



Gov. Daniels prepares to speak to the press on Tuesday as his spokeswoman Jane Jankowski adjusts a tape recorder at IUPUI. (HPI Photo by brian A. Howey)

group of people have suggested to me an idea that I never otherwise would have considered, that I run for President,"

**Continued on page 3**

# The elevator ride

By **MARK SCHOEFF JR.**

WASHINGTON - Waiting in the J.W. Marriott lobby for Gov. Mitch Daniels to return from a White House meeting in late February, I was confident that I would get some kind of story, or at least a viable Daily Wire brief.



Daniels was back in Washington for second time that month. A few weeks earlier, the buzz about a potential Daniels presidential candidacy grew louder following a boffo speech before the Conservative Political Action Conference. At the moment, the White House and Capitol Hill Republicans were dither-



**"The president really pre-empted the relationship."**

**- Sen. Dick Lugar, on President Obama touting his friendship during the 2008 campaign**



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ing toward the first of what would become several temporary continuing resolutions as they narrowly avoided a government shutdown while making modest deficit reductions.

I was poised to ask Daniels a couple of questions that I thought would elicit understated zingers that have become his trademark. What I got was indeed understated - and almost completely useless until I sat down to write retrospectively about the presidential campaign that might have been.

Here's the entire transcript of my encounter with Daniels.

**Schoeff:** Are either the Democrats or Republicans addressing budget issues in a way that will solve the deficit problem?

**Daniels:** No.

**Schoeff:** Have you learned anything during your visit this weekend that has brought you closer to a decision on whether to run for president?

**Daniels:** Not really.

I waited a moment to see if he would add anything. No such luck. I indicated I might have another question, so Daniels invited me to join him and an aide on the elevator.

I stepped on board for what felt like an interminable trip to the 12th floor. I couldn't think of a follow-up question because I was depending on his answers to the first two queries to catalyze a conversation. Instead I was, for the first time in memory, speechless in front of an important source who was on his way to his room to throw his clothes into his bag and then rush to the airport.

I had hoped that Daniels would toss off some kind of bon mot that would illustrate which way he was leaning on a presidential bid. After all, I had given him an opening on his signature issue of fiscal rectitude. Or perhaps he would subtly slam both parties, setting himself above the fray the way a typical presidential candidate would.

Instead, he provided responses that evinced deep ambivalence about whether to launch a presidential campaign. In fact, the "not really" comment, which included a wan smile and a slight head shake, hinted that he would rather not think about the whole thing.

Of course, Daniels is an astute political operative. He carefully plans his offensives and deftly plays the media when it advances his causes. He's a master strategist.

But our exchange at the J.W. Marriott didn't feel the least bit calculated, and he wasn't dismissing my questions. He just didn't have much to say, a shocking reaction for a reporter who is used to Washington politicians bloviating about any issue any time a tape recorder is pointed in their direction.

At that point, I thought to myself: Daniels is either genuinely conflicted about running for president or he is a world-class dissembler.

A few months later, we all learned that Daniels had heartfelt doubts about a campaign. In a message to supporters last weekend, he said that his love for his wife and daughters trumped his love for his country. It was a note that defined family values in a few sentences better than so-called family-values candidates do over the course of an entire political campaign -- or career.

Republicans better hope, however, that Daniels is not ending his political career when his gubernatorial term concludes in 18 months. He would make an outstanding vice presidential choice.

Daniels' presence on the ticket would allow the American electorate to test a hypothesis that will be central to the 2012 campaign: Competence is charisma.

Whether the GOP nominee is Mitt Romney, Tim Pawlenty or Jon Huntsman, the addition of Daniels would add substantially to the gravitas quotient. It's said that a nominee's



most important decision is his first. In this case, the candidate can demonstrate his commitment to restoring fiscal discipline in Washington by naming Daniels his VP and giving Daniels the budget-balancing portfolio.

The two can then press President Barack Obama and Vice President Joe Biden about why they squandered many opportunities to lead on budgetary matters. It would lead to three high-minded and, perhaps, scintillating debates.

**With Daniels on the ticket**, the GOP nominee would be doubling down on authenticity and giving the American people a chance to endorse substance over style. He would offer a running mate who can both articulate a compelling vision for future solvency and also modestly listen to and learn from constituents, a combination that is

rare among typical politicians.

I was not able to cover Daniels this week when he visited Washington on Wednesday. I was in Fort Wayne, where I presented the Mark and Helen Schoeff Memorial Scholarship at Northrop High School, where my dad was the first athletic director. The \$4,000 award goes to an outstanding Bruin senior who is headed to an Indiana college or trade school to continue his or her education.

My parents taught me the Hoosier values that Daniels would have brought to the presidential race at the top of the GOP ticket. Perhaps he'll be able to demonstrate them in the number two slot. ❖

**Schoeff is HPI's long-time Washington correspondent.**

## Daniels, from page 1

Daniels said. "I've asked for time to think it over carefully, but these good people have been very patient and I owe them an answer. The answer is that I will not be a candidate. What could have been a complicated decision was in the end very simple: on matters affecting us all, our family constitution gives a veto to the women's caucus, and there is no override provision. Simply put, I find myself caught between two duties. I love my country; I love my family more."

In meeting with the press on Tuesday for the first time since the announcement, Daniels was asked about the details of his decision. "I really don't have much more to say about it," the governor first said, before adding, "I'm moved to say this: I wish folks would pay more attention to the second half of the statement as opposed to the first. What I decided means very little. What happens to me means nothing. What America decides and what happens to the nation in the next few years means everything. I

would just urge everybody - now that you know the decision - to spend a little time if you would to reflect on the real reasons that motivated me to think about maybe doing it in the first place."

In the second part of his statement, Daniels said, "I am deeply concerned, for the first time in my life, about the future of our Republic. In the next few years Americans will decide two basic sets of questions: Who's in charge here? Should the public sector protect and promote the private sector or dominate and direct it? Does the govern-

ment work for the people or vice versa? And, are we Americans still the kind of people who can successfully govern ourselves, discipline ourselves financially, put the future and our children's interests ahead of the present and our own? I am confident that the answers will reaffirm the liberty and vitality of our nation, and hope to play some small part in proving that view true."

That Daniels subjected his wife and family to what became an unrelenting trampling of the family's secrets became the center of speculation leading up to his



With "Run Mitch Run" signs printed up for the May 12 dinner and paid for by Indiana Republicans, it seemed as if a campaign was imminent. (HPI Photo by Brian A. Howey)



weekend announcement.

It culminated from a control standpoint with the First Lady's speech to the GOP's spring dinner on May 12. The speech was interspersed with videos prepared by the political wing. As HPI speculated at the time, the Cheri Daniels speech may have been designed to see what kind of incoming flak she would produce. And it came as "Run Mitch Run" signs were circulated among the thousand people gathered, paid for by the Indiana Republican Party.

Not only did the marriage story continue in the national press all week, it became even more invasive. The New York Times reported on the couple's divorce filing in Boone County that included a custody showdown. The Boone County Clerk told the Lebanon Reporter that it was the first time anyone had sought the Daniels divorce filing.

Real Clear Politics' Erin McPike tracked down the ex-wife of the California doctor that Cheri Daniels left her husband for, under the headline, "Cheri Had Reason to be Nervous." The divorce had been grazed by the Indiana press in the past. But in all things gubernatorial, a divorce and remarriage more than a decade ago had little impact on how a governor discharged his duties. That is not the case with the White House, where secrets appear and anonymity is thrashed.

It prompted a second Saturday night statement from the governor to the Indianapolis Star: "The notion that Cheri ever did or would 'abandon' her girls or parental duty is the reverse of the truth," said his statement. Daniels called the idea "absurd to anyone who knows her, as I do, to be the best mother any daughter ever had."

Clearly a nerve had been touched and it may have been the Daniels daughters concern for their mother - as well as their own privacy - that changed the family dynamic.

For a governor who had been adept at calculating and successfully orchestrating all sorts of political campaigns and public policy initiatives, this time the results were devastating from the public perspective. The family's most personal aspects became Page 1 fodder in the national press.

"This is not something I would have thought about doing if I weren't really alarmed about the position of the country," Daniels said at IUPUI after chairing an Indiana Education Roundtable meeting where his education reforms were extensively discussed. "If the country was in a stable, normal state and the future looked good, I wouldn't have thought about it for a second. But the country is not. This nation is facing what the President's own Deficit Commis-

sion chairman says is the most predictable crisis in history and we're not doing anything about it. And that's why I thought about it at all."

Daniels was asked Tuesday that many opt out of public service because of an invasive press.

"Well, there's something to that," he responded. "It's hardly a new or novel thought. There was way too much attention paid here to this scrutiny business. It was just a total loss of privacy. I've got three daughters early in their married lives. Think about the disruption that would have meant. Yeah, sure, the scrutiny, but this is not the only scar tissue I've got by now. That might have been a part of it but not really the big part. It may be overstated



in some of the coverage so far. It was disruption of young lives that are full of promise right now and they deserve a chance to build their families without security all over them all the time and being figures of public interest. That was a very large factor. The sense of duty was very large for me but I wasn't burning with a sense to do this."

## **Bayh redux**

Bayh opted out of a 2010 reelection battle as Tea Party clouds gathered, stating that he had fallen out of love with Congress. But Susan Bayh, who earned millions of dollars as a corporate board member, was poised to become the gist of campaign fodder after multiple news accounts of her earnings that many directly tied to his Senate career.

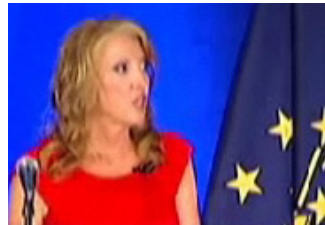
In his February 2010 decision to withdraw from reelection, Bayh said, "To put it in words most Hoosiers can understand: I love working for the people of Indiana, I love helping our citizens make the most of their lives, but I do not love Congress. I will not, therefore, be a candidate for election to the Senate this November. My decision should not be interpreted for more than it is, a very difficult, deeply personal one."

That December, Bayh opted out of a third run for governor, saying, "When my days are done and I'm looking back on my life, I'm probably going to think about whether I've been a good father and a good husband. And then maybe some of the political stuff will come later. I loved



being governor and I think we were able to get some good things done for the state and those were happy days. But as I approached making the decision, I had to weigh not only political and public policy factors, but the welfare of my family. It might have been a different situation if my kids were three or four years older. I've got teenagers who are going to be sophomores in high school. I just kept coming back to that. I just felt as a father I had an obligation to put them first. I'm always going to be dedicated to public service and public policy. I am going to stay involved. But at this moment I felt I had to make my kids my highest priority instead of politics."

So within this span of 18 months, two of the most powerful Hoosier leaders chose the personal shield over their families in lieu of waging the national battles that both Bayh and Daniels see as threatening the American way of life as we know it.



## Daniels moved backwards

After the 2006 Congressional elections, David Axelrod, David Plouffe and others interested in a Barack Obama presidential candidacy met with he and his wife, Michelle. A few weeks later, the group reconvened in Chicago. In his book about the 2008 presidential campaign - "The Audacity to Win" - Plouffe writes, "Michelle Obama opened things in very surprising fashion. She declared they had worked through the family issues and had decided they would run if they thought they could mount a credible effort."

While it is understandable why Gov. Daniels and his family decided not to seek the presidency in what was becoming an invasive scenario, the reality is that the whole process was backwards.

Most candidates get the imprimatur from the wife and family before mounting a campaign. Daniels and the political forces around him were obviously at odds with the family. For the past 18 months the Daniels staff had been priming the media with all sorts of links and reactions to elements in the gathering presidential race. They seeded interviews with key publications and scheduled a crescendo of national speeches. They created a buzz that permeated the 2012 race.

It created a showdown between the political and personal wings of the Daniels universe that culminated on Friday - perhaps after the governor sustained an utterly conspicuous 16-stitch wound to the forehead.

Asked by Howey Politics Indiana if he had made the decision before or after he was injured Friday on the IUPUI campus, Daniels responded, "You mean did that knock some sense into me? This is a popular theory. I had made up my mind."

That answer is perplexing because in the days leading up to last Friday, most of us were convinced he was preparing a campaign.

He told the Indianapolis Star's Matt Tully in the May 18 editions that, "I'm not going to take much longer." The family had a "lot of time to marinate" and that process had entered the final stages. Daniels then talked about how he would campaign. "Campaigning in a retail way, they tell me, is useful in early states like Iowa and New Hampshire," he said. "And we certainly know how to do that."

And he talked about staying in supporter's homes. "It not only saves money, but you learn so darn much."

But in retrospect, Daniels reticence was in plain sight, subtle as it was. On Wednesday, he did a swing through Northern Indiana where he was constantly urged to run. "We really could use you," a man in

Churubusco told Daniels. "Nobody is indispensable," Daniels responded. "We're thinking about it."

During a short question-and-answer session in Churubusco, a man asked about a presidential run and the governor dodged. "Can they move the White House to Indiana? That would help," Daniels said.

He was asked if he would finish out his term if he ran. "That's a very good question and I think the answer is yes but I agree it is a legitimate question," Daniels said. "Might have to do it for awhile. If I sense it is detracting in any way from the duty to deliver great service in any way to Hoosiers and keep taxes down and so forth I'd have to rethink it."

The governor spent Wednesday night in Northern Indiana before addressing the St. Joseph County Chamber of Commerce. There he called the national deficits and debt, "the challenge of our age. It's a test of our democracy," he said.

Asked about a presidential bid, Daniels said, "I can't announce a decision we haven't made yet."

So it appears that the decision came Thursday after he returned home to Carmel.

There was a growing consensus in the pundit class that Daniels was getting too cute with the presidential flirtation. He had steadfastly declared that his work with the Indiana General Assembly was his top priority. When sine die came on April 29, we were told a decision would be forthcoming in weeks. As May progressed, everywhere Daniels went the presidential question dominated. There was an out-pouring of support across Indiana and among the national GOP establishment.

After the Cheri Daniels speech, to a person just about every powerful Republican I talked to believed that Daniels was poised for a run. Influential Republican finan-



chiers like Bob Grand told HPI they believed that Daniels was poised for a run. Al Hubbard told HPI he expected a decision "by the end of the month" and appeared buoyant at the prospect. Mike Gentry of the Indiana House Republican Campaign Committee said that in circling back to donors, almost to a person "they are begging him to run." Indiana Senate President Pro Tempore David Long summed up the speech as "a little peek" into the future. "He didn't say no," Long said, noting that Daniels' "entire career has been about fiscal discipline. That's in his DNA. This is playing into his wheelhouse." Asked if he thought Daniels would run, Long said, "I think so." House Speaker Brian Bosma said that while Daniels has not told him definitively, "I think he'll run."

All that was lacking was the final go ahead. And unlike the presidential campaign of Dick Lugar in 1996 and Evan Bayh's brief run in 2006, many were convinced that Daniels had a real shot at the nomination. He talked of an impressive letterhead, a powerful Rolodex, of dynasty support from the Reagans and Bushes, a weak field and a vulnerable President. Last week he talked about how he would campaign and how he would continue his practice of staying in the homes of supporters as he mounted a national movement.

He met President Obama at the airport tarmac for the first time and a photo of Daniels wagging his forefinger at the president invigorated Republican supporters.

He simply had to convince the family.

In most cases, it's the first thing a person does. As Republican strategist Mike Murphy said on NBC's Meet the Press show Sunday morning that there's "an old rule of politics. If you're going to run, make sure your wife is going to vote for you."

That door closed, as did the one at the campus gym, leaving the governor with a head wound that would have complicated any campaign roll out for weeks. Asked if the injury had any impact on the decision, Republican Chairman Eric Holcomb responded, "None."

By noon Saturday, Daniels had summoned Holcomb to set up a conference call with Al Hubbard, Charlie Black, Don Cogman, Bob Perkins, Tom Bell and Rick Powell where he conveyed his final decision.

Holcomb went home that afternoon and mowed his lawn. He and Mark Lubbers then went to the Indianapolis Star where Lubbers insisted Daniels had a "clear path to the nomination" ... but he wasn't running. The Star story was embargoed until 1 a.m. and Holcomb sent out the email to about 700 supporters at 12:45.

"I was able to resolve every competing consideration but one, but that, the interests and wishes of my family, is the most important consideration of all," Daniels said.

## **Impact of decision**

Daniels' decision dramatically alters the Indiana political landscape.

■ For the next 19 months, the governor will concentrate on implementing his education reforms. He will try to revive the Kernan-Shepard local government reforms and the criminal justice reforms that for the most part failed during this past session of the Indiana General Assembly. Some will seek to pin the "lame duck" tag on him, but that would be a dangerous assumption given his big Republican majorities in both houses.

■ The best case scenario for Republicans would have been Daniels at the top of the ticket. Unless he receives the vice presidential nomination, that won't be the case. With U.S. Sen. Dick Lugar - the party's most successful vote getter in history - under an intense primary challenge from Treasurer Richard Mourdock, Indiana Republicans are faced with a potential split when the winner faces U.S. Rep. Joe Donnelly in the fall.

■ While Daniels called the vice presidential speculation "crazy," no one else thinks that way. He will certainly be on all the short lists in June through August 2012.

■ Democratic gubernatorial candidate John Gregg saw in a Daniels presidential bid the attraction of top operatives and big GOP money to the national scene. He noted that in 1988 Bayh was able to win the governorship despite Dan Quayle on the national ticket. Gregg now finds the prospect of a Hoosier Republican on the ticket and much of the resources and money will stay home.

■ The reelection campaign of President Obama had been prepared to write Indiana out of its 2012 plan. With Daniels out of the presidential race, it will likely reassess that position. Hoosier Republicans scoff at the notion of Obama carrying the state for a second time, citing the unpopularity of the Affordable Care Act. They scoffed at the notion of Obama winning the state in 2008 as he opened dozens of local campaign offices. But Obama appears to be preparing to defend his rescue of Chrysler and General Motors and he was in Indianapolis at Allison Transmission earlier this month heralding the emerging green electric car sector that he seeded. Obama has vowed to make Elkhart a symbol of his legacy. If the jobs picture improves and the unemployment rate falls in the 6 percent range, it is not inconceivable the president will try and make a play for the state, given the audacious penchant of his campaigns. It's also worth noting that less than two years before Daniels 2008 reelection, his approval stood in the 40th percentile.

■ A new Gallup poll shows President Obama with a 53 percent approval rating, which is the highest it has been in 16 months. A Gallup survey of Republicans has Mitt Romney in first place with 17 percent, Sarah Palin at 15 percent and Ron Paul at 10 percent. ❖



## Daniels to the press: ‘Read second half of statement’

By **BRIAN A. HOWEY**

INDIANAPOLIS - In his first meeting with reporters since his midnight bombshell Sunday, Gov. Mitch Daniels on Tuesday directed reporters to the “second part of my statement” in announcing he would not seek the presidency. And he called his deliberations described as “Hamlet in the Heartland” a “bum rap.”

Asked by Howey Politics Indiana if he had made the decision before or after he was injured Friday on the IUPUI campus, Daniels responded, “You mean did that knock some sense into me? This is a popular theory. I had made up my mind.”

In the second part of his statement, Daniels said, “I am deeply concerned, for the first time in my life, about the future of our Republic. In the next few years Americans will decide two basic sets of questions: Who’s in charge here? Should the public sector protect and promote the private sector or dominate and direct it? Does the government work for the people or vice versa? And, are we Americans still the kind of people who can successfully govern ourselves, discipline ourselves financially, put the future and our children’s interests ahead of the present and our own? I am confident that the answers will reaffirm the liberty and vitality of our nation, and hope to play some small part in proving that view true.”

Daniels talked for nearly 30 minutes after a two-hour Indiana Education Roundtable where the execution of his sprawling education reforms are being implemented. Daniels urged reporters to write about the new teacher and principal evaluation standards that were debated.

Bandaged on the forehead, Daniels also acknowledged that the reported 16 stitches he received in the Friday accident “turned out there were 20. Thank goodness I’m a relatively good healer.”

Asked who had opened the door resulting in the injury, Daniels responded, “A fella who was in a hurry to get to his workout. Someone called my name. I turned for just a second, I was distracted. It was just an accident. If I had been two or three inches to the right it might have hit me somewhere I wouldn’t bleed. I got a nice email from the gentleman, later, because at the time I was too busy trying stop the bleeding and he disappeared at first. I told somebody he thought he hit a plaintiff’s attorney. When

he heard from accounts it was more than just a scratch he sent me a very nice email.”

Here is the rest of the interview between Daniels and Statehouse reporters:

**Question:** When did you make the decision?

**Daniels:** In the days leading up to the announcement.

**Question:** Was there a moment when you said, “OK that’s it?”

**Daniels:** I really don’t have much more to say about it. I’m moved to say this: I wish folks would pay more attention to the second half of the statement as opposed to the first. What I decided means very little. What



happens to me means nothing. What America decides and what happens to the nation in the next few years means everything. I would just urge everybody - now that you know the decision - to spend a little time if you would to reflect on the real reasons that motivated me to think about maybe doing it in the first place.

**Question:** Would you consider a run for vice president?

**Daniels:** It’s such a crazy hypothetical question. I don’t think about it.

**Question:** What will you be doing? Do you think you have leverage now that you’re not in the race?

**Daniels:** Maybe not much but we can all chip in a little bit. I’m going to keep a long-standing invitation to speak about these very questions along with former President Clinton and others in Washington (see page 19). I wrote this book last fall that deals with these very questions exactly as I would have if I had become a candidate.



That may give me some opportunities to travel and give our fellow citizens a little more opportunity to think about it.

**Question:** Are you satisfied other candidates are addressing those issues?

**Daniels:** Too soon to say. I think there are some good signs out there. I'm very hopeful.

**Question:** Will you endorse any of them?

**Daniels:** We'll see. I'm not sure.

**Question:** Have you heard from any of them?

**Daniels:** Yes.

**Question:** Which ones?

**Daniels:** I don't want to go into it.

**Question:** Why are so many prominent Republicans passing on this race?

**Daniels:** I think each for his or her own reasons.

There's a spread. Have a look at what's involved and can't you think of all sorts of reasons that a person might not go that route?

**Question:** How much did you personally want it?

**Daniels:** I can't answer a question like that. I tried to be absolutely level with you folks at every stage. This is not something I would have thought about doing if I weren't really alarmed about the position of the country. If the country was in a stable, normal state and the future looked good, I wouldn't have thought about it for a second. But the country is not. This nation is facing what the President's own Deficit Commission chairman says is the most predictable crisis in history and we're not doing anything about it. And that's why I thought about it at all. In some small way I hope to have a little bit to say about it. Our democracy is about to be tested here and the people who say we won't make the changes, won't make them in time, are really saying they don't trust Americans. They don't think Americans are up to the job and that we'll look to the future, we'll look to the next generation and not spend borrowed money on ourselves that our kids will never be able to pay back. I think more of Americans than that and I hope the next campaign, whoever's in it, will trust Americans, speak to them that way and make the necessary changes.

**Question:** By not running, does that diminish your impact?

**Daniels:** Sure. There may be minor ways any of us as concerned citizens can have a little input.

**Question:** Would the same obstacles in a vice presidential run be there?

**Daniels:** I haven't anything to say about that. It's so far-fetched. There's next to zilch chance the question will even be presented. I don't spend any time worrying about it.

**Question:** Any regrets since you made your decision?

**Daniels:** No. I don't think it makes any sense looking back. I think I did the right thing.

**Question:** What are your immediate plans as governor?

**Daniels:** I know you came for other things but I hope some of you paid attention to what we were talking about in there. We have become by every measure the best place in America, at least north of a couple of states in the South, for jobs and doing business. And yet if we cannot check the box of educational attainment, all of that may not matter for very much. This has been a theme of mine for a very long time. We accomplished a lot this year and have gone to the front row, nationally. Just read what's being said around the country, in the case of education reform. Now we have to make it work. The laws by themselves will not make the kids better prepared. I'm going to spend the next year and a half supporting Supt. Bennett and all these other good people in there - Ivy Tech - to make these wonderful new tools work for Indiana's future. There's enough right there to keep a person occupied.

**Question:** What else do you see for the next year and a half?

**Daniels:** Well you look at the things we failed to do this time and that is, with one small exception, we didn't advance the Kernan-Shepard agenda. And we didn't succeed in the criminal justice reform that for a while that looked very promising. So that's two big ones right there. We have a government to keep running and improving. I got all of our department heads together last week and congratulated them on what they've been doing but reminded them that continuous improvement is our motto and there are plenty of departments who have a lot of progress to make. I don't worry about staying busy.

**Question:** Will you consider retiring in 2012?

**Daniels:** Retiring? If you want my family to really go into rebellion, let me go home and suggest I hang around the house all the time. I don't know. I suspect we'll find some way to be useful. I got a job right now that's got my full attention.

**Question:** There's the notion that good people won't go into public service because of scrutiny into their private lives. What are your thoughts on that?

**Daniels:** Well, there's something to that. It's hardly a new or novel thought. There was way too much attention paid here to this scrutiny business. It was just a total loss of privacy. I've got three daughters early in their married lives. Think about the disruption that would have meant. Yeah, sure, the scrutiny, but this is not the only scar tissue I've got by now. That might have been a part of it but not really the big part. It may be overstated in some of the coverage so far.

**Question:** So it's fair to say privacy more than scrutiny?





**Daniels:** Yes. It was disruption of young lives that are full of promise right now and they deserve a chance to build their families without security all over them all the time and being figures of public interest. That was a very large factor. The sense of duty was very large for me but I wasn't burning with a sense to do this.

**Question:** It seems that much of the presidential race has hinged on the deficit, but don't you think the Affordable Care Act will be a referendum in the 2012 election? How should the Republican candidate talk about that?

**Daniels:** Yeah, very forcefully. The so-called Obamacare act deserves to be a center of next year's election because it draws together all the major challenges and threats to our nation and the future of our young people.

No.1, I believe it will be disastrous as far as health care policy. No. 2, it will make the deficit far, far worse and now everybody understands. It should have been obvious all along. No. 3, it represents another government takeover of the private sector. We saw it in housing, we saw it in autos, we saw it in student loans. We've seen it in finance and banking and here comes another conquest of the private economy which I think is a very bad idea from a freedom standpoint and a very bad idea in terms of remaining a nation of opportunity. So all of those themes and issues are pulled together in the Obama health care legislation. I hope it will be vigorously contested and constructively, though, with a suggestion of how health care can be done very differently. ❖

## Leadership deficit for national Republicans

By **MARK SOUDER**

FORT WAYNE - It's been a long time since the national Republican Party has lacked clear leadership. The collapse of President Richard Nixon led to the wandering era of President Gerald Ford, but by early 1976 Ronald Reagan had already began to control the direction of the Ford Administration. The Reagan era lasted until the President George H. W. Bush tax increase when Bush basically said: "Read my lips. Reagan is gone."



Newt Gingrich was already experimenting with "idea leadership" through the creation of the Conservative Opportunity Society (COS) and the use of the then new televi-

sion vehicle C-SPAN. Working with Dick Armey, Tom Delay, pollster Frank Luntz and others the Contract with America was birthed. Its 10 point well-known general principles organized the Republicans.

**Newt Gingrich proved** to a very significant degree that a House Speaker could drive an agenda when you have a weakened, reasonably flexible President of the opposite party combined with a pragmatic Senate leader of the same party as the Speaker.

Speaker Gingrich's problems loomed with the rise of George W. Bush as Republican President in waiting. Gin-

grich's own changeable whims also caused tensions within the leadership and the caucus. As one who was intimately involved in the so-called "coup" attempt, the only question was whether Newt was removed immediately, announced his intention to resign pre-election, or was removed post-election. He wouldn't voluntarily leave before, so he was removed afterward.

**I supported my friend Denny Hastert** for Speaker because we knew that Bush was now going to set the agenda, not the House, first during his campaign, and then should he win, during his Presidency. This was not true of the Bob Dole campaign in 1996 because Dole didn't set agendas: Dole negotiated other people's agendas.

By the time President Bush left office in 2008, people had pretty much forgotten 9/11 and war fatigue overwhelmed all other issues. "Hope" and "change" meant "no war" to most of the young Obama voters and many of the adults. As usual, multiple issues make up a coalition but the war was the additive to turn previous defeats to victory. John McCain could not have been more mismatched for the times. His most powerful ad stressed his prisoner-of-war experience, which only raised the GOP's weakest issue. His experience, age, and wispy white hair did not exactly resonate with "hope" and "change."

**The 2010 Republican victories** came for one single reason: President Obama. For my victory party in 1994, after I upset an incumbent who had won 62% the two previous elections, we invited the person who did the most to help me: Bill Clinton. Actually a Bill Clinton impersonator but you get the point. The Contract with America helped organize our thoughts and gave us something positive to talk about when needed (not often). The first big rise of talk radio helped. But we owed our victory mostly to Clinton.

In 1993, the Clintons raised national health care and other liberal issues, but didn't pass much. But the



blowback in the 1994 elections came anyway. It seems like in 2009 this President decided that he should at least pass some of his liberal ideas if the nation was going to rebel anyway.

With three wars are raging, though two are winding down similar to what Bush had planned, Obama tried jamming through other agenda items from government economic intervention to social issues like gay rights and abortion to national health care. The economic downturn complicated his popularity though like all politicians he did not forget "it's the economy stupid."

**The 2010 election led** to all-time record Republican gains in the House, and other than a few early warning signs of troublesome Republican conflicts in some Senate primaries, would have likely led to takeover of the Senate as well. This time the Republicans had no "fig leaf" of a Contract with America to shield the real reasons. The agenda was clear: change the change.

The leadership didn't even come from Republican leaders. It came from the rise of "Tea Party groups." It was eerily similar to when the Constitutional Congress debated revolt in Philadelphia, citizens of Boston took matters into their own hands. Republican leaders scrambled mightily to find the front of the parade.

But instead of 2012 being a tremendous opportunity for Republican takeover, it is beginning to look like a shipwreck. Of the likely Presidential candidates, depending upon which poll, past leader Newt Gingrich and Tea Party favorite Congresswoman Michelle Bachman join past candidate Mitt Romney as leaders (if you don't count those who support none of the above, undecided, or candidates who are not running).

House Speaker John Boehner is a somewhat less ideological Speaker Hastert, and definitely no Gingrich. Republican Senate Leader Mitch McConnell is a slightly more conservative, but less well known, Bob Dole. The Republican freshman class has no identity (unlike the Republican freshmen of 1994) so conservatives have nothing around which to rally.

**So where do leaderless** Republicans look? The good news is that it won't be Donald Trump. Republican governors are implementing statewide agendas but with Daniels and Haley Barbour not running, unless Chris Christie of New Jersey reverses his position, it seems unlikely that any Governor will emerge to lead.

Into this void has stepped Congressman Paul Ryan, the 42 year-old House Budget leader who looks like he just turned 30. Because he produced something concrete, the only budget that actually tackles the looming crisis, Ryan has become the Republican idea leader by default.

Ironically, Ryan has more actual experience than President Obama had when he ran for President. Ryan was a Senate staffer, House staffer, and was elected to Congress in 1998. With Daniels now out, many of us would

like to see Ryan enter the race for President. His idea leadership even overwhelmed Newt, who had to retreat after criticizing him. But whether or not he runs for President, it is likely Paul Ryan will be defining the Republican agenda for the near future. ❖

**Souder is a former Indiana Republican congressman.**

## Observations of a master politician

By **RUSS STILWELL**

**BOONVILLE** - My observations and opinions about Mitch Daniels during his tenure as the Governor of the State of Indiana range from outrage to admiration. As a partisan Democrat who was the House Majority Leader during four of his first six years in office and as a labor-oriented public official I have observed a master politician at work.

One of the first chance encounters I had with



Mitch Daniels was a couple days after he was sworn into office in 2005. We had never actually met. We had never crisscrossed the same circles and we certainly never lived in the same neighborhood. But that morning when I was walking up the steps to the capital and the governor was a few steps behind me, I said, "Good morning Governor." To my shock he said, "Good morning Russ. How's things in Southern Indiana."

Right then and there, I knew that Governor Mitch had done his homework and that it included infinitesimal details about his political opposition and most likely as whole lot more. Mitch knew his opposition and his potential allies even though their paths had not crossed. He was ready.

**As a self-anointed political junkie**, I appreciate good political instincts and well-run campaigns. Daniels, when campaigning for governor in 2004 ran one of the best campaigns ever devised in the Hoosier state. From the good "Aw shucks" southern drawl when he was in the deep south of our state to the scholarly policy initiatives he advocated across the 92 Indiana counties, Daniels took politics to a level never mastered in the state. And he did this (and again in his 2008 reelection campaign) without smearing his opponents with slick, controversial and nasty negative campaign commercials. Daniels took campaigning



to a whole different level.

My favorite (and there were a lot of favorites) commercial was when Daniels comes on air and says, "Any garden that is 16 years old needs a little weeding from time to time." It was the ultimate dig for taking a shot at 16 years of Democrat control in the governor's office. And Mitch was great at this brand of messaging.

**The RV?** Who would have thought it was the engine that could. And the overnights? Staying with supporters and others in their homes in every nook and cranny in our diverse state gave him a perspective of what real Hoosiers were thinking. And he put those perspectives to good use.

A couple years ago Gov. Daniels was scheduled for a Chamber of Commerce breakfast address in my hometown of Boonville, a 7,000-something community with far more Democrats than Republicans. We chatted a minute or two at the chow line and he asked me about my yard and if my mowing it twice a week was keeping me busy. What? How could he know something as arcane as that!

Actually, he had spent the night with a longtime friend of a staffer of his that he did not know (so, that's how they do it?). Just so happened that my neighbors were the parents of the friend and when Daniels asked if they knew Russ Stilwell, they released the mowing routine. It's always the little things that a politician remembers and relays later that makes a lasting impression. And I bet Gov. Mitch had done these uncountable times as he traveled the state.

Daniels for president? Actually, I am very pleased that he decided to not get in the race. My reasons are pure and they are politically motivated. I like and support President Obama and his position on the ballot in 2012 would not help our Hoosier democrat candidates! He would have been a force to be contended with at the national scene and would have provided the Republican party with a smart (actually very smart) candidate who knows the issues and understands the electorate and has an uncanny ability to take complicated problems and have the electorate understand and then support his position. He did this time and again in the Hoosier state and would have assuredly done this with a myriad of far more complicated subjects at the national level.

**Even though I firmly** believe that Daniels is a superb politician who can outline an aggressive agenda and even get it passed I also believe the "national press corp truth squad" would get the gov in a jam from time to time. Remember the line, "We created two jobs for every job lost." And how about all the little things he didn't include when taking credit for the fiscal health of the state finances?

It doesn't matter. At the end of the day he sold his message, had substantial voter approval and moved

the state in the direction he wanted. I just happened to disagree in the direction.

**Clearly, Mitch Daniels** could be a bit feisty from time-to-time. He called then-House Speaker Pat Bauer a "car bomber" and chastised others with clear and direct assaults. That's OK, I guess. After all politics is still a rough and tumble sport in the Hoosier state and one has to occasionally engage, lest they get run over.

Shortly after the 2010 elections when the Republicans had overwhelmed the Democrats, not only in Indiana but throughout the nation, I received a call from a key staff person in the Daniels administration. Now what in the hell were they calling for? After all, I had just been defeated in my marginal Democrat district (after 14 years) by a most worthy opponent who was the beneficiary of lots of campaign bucks from the governor's Aiming Higher PAC.

Gov. Daniels was scheduled to be the speaker for an announcement of a major coal gasification plant breakthrough that would bring a \$2.5 billion investment to our state and create thousands of jobs for several years building the facility. Clearly, one of the few issues that me and the Daniel's administration agreed on and worked on in a collaborative manner was this issue. I authored three bills in three successive legislative sessions to make this plant an option. Gov. Daniels used the power of his office and political capital to make the gasification plant a reality.

So why did his office call? The senior staff person said that Gov. Daniels wanted to personally invite me to the announcement and that I was the only person that the governor had so instructed to be invited. And true to form, I was the only elected official (make that former elected official) official that Daniels singled out for helping to make this plant a reality. Later his staff told me that he knew how much work I put into this controversial plant and wanted in let everyone know. Sure not the Mitch I knew in our legislative battles. But, I'm sure it's the Mitch that most Hoosiers came to appreciate.

**We will never know** if one day Mitch Daniels one day would have been a statistical footnote of a wannabe Republican presidential contender, a Republican nominee or even president. We will never know if an honest and frank discussion about our national debt and entitlement programs between two intellectually superior candidates would have made a difference and changed direction of our nation.

But what we do know, and what I believe, is that President Obama should breathe a sigh of relief that Mitch Daniels doesn't have him in his political sights. Even a partisan democrat can appreciate good politics (now, I didn't say policy) and Mitch Daniels' application of politics is as good as it gets. ❖

**Stilwell is a former Indiana House Democratic majority leader.**



## Gregg emerges as prime Dem governor candidate

By **BRIAN A. HOWEY**

INDIANAPOLIS - John Gregg has emerged as the sole Democratic gubernatorial candidate after Senate Minority Leader Vi Simpson said on Tuesday she will not seek the nomination.

Simpson did not endorse Gregg in her statement, however.

"After discussing it with my family and friends and taking a few days to give it some quiet and serious thought, I have decided that I will not be a candidate for Governor at this time," Simpson said. "I have been deeply moved by the hundreds of people across the state who believe in our shared ideals, and I am honored that they have encouraged me to carry their banner. However, this must be a personal decision based on what is best for my family and for me, and I feel satisfied with the decision we have made."

Simpson added, "I look forward to continuing to be a progressive voice in the Statehouse, to working to refocus the attention of state government on individual rights and economic equality rather than on radical social agendas and to helping elect Democrats to office in 2011, 2012 and beyond."

She told HPI in recent weeks that she has continued to conduct a dialogue with Gregg over various constituencies in the Democratic Party. In announcing his exploratory committee earlier this month, Gregg predicted that Simpson would not enter the race and called her an "ally."

Gregg, Simpson and U.S. Rep. Joe Donnelly had been conducting weekly conversations about 2012. Donnelly opted to run for the U.S. Senate.

Gregg announced he has the support of Simpson as he kicked off his 2012 gubernatorial campaign at a Broad Ripple flower shop, essentially indicating that Hoosier Democrats will likely duck a divisive primary.

"I do not expect her to get into the race," Gregg told a group of about 50 Democratic supporters and the press on May 9. "We're friends. I'm friends with her husband Bill McCarty. I consider her to be a strong ally."

Indiana Democratic Party Chair Dan Parker had been seeking to avoid a contested

primary after the 2008 race between Jim Schellinger and Jill Long Thompson left the nominee with little money. Thompson lost to Gov. Daniels 58-40 percent.

"Vi has been and will continue to be a tremendous leader for Indiana Democrats, and she has long championed issues that improve the lives of Hoosiers across our state," Parker said. "I know she spent a great deal of time making this decision, and her support stretches far beyond her home district. That's why I'm excited that she will be working this year and in 2012 to recruit top-notch candidates who will win their Indiana State Senate races next year and help us build our caucus in that legislative body."

### U.S. Senate: Lugar supports Ryan budget

U.S. Sen. Dick Lugar voted against the budget in the Senate Wednesday night as Democrats sought to exploit the Medicare reform issue. "For over two years congressional Democrats have refused to prepare a budget or outline a long term plan on spending or deficit reduction," Lugar said. "Their answer to the serious fiscal problems before our country has been: do nothing. Inaction while blaming others is not leadership, it is not acceptable, and people won't fall for it. Now the Senate Democratic leadership opposes a constructive debate on dealing with our \$14 trillion debt. In voting to proceed to a budget, Republicans are saying that we are prepared to begin a constructive debate. Republicans are also saying that we want to protect and preserve Medicare. Democrats, on the other hand, want to protect the status quo, which would push Medicare into bankruptcy."

Last week Indiana Treasurer Richard Mourdock said he opposes raising the debt ceiling, explaining, "Our federal spending and borrowing is out of control. The size of the debt that now rests on each American is \$45,000 and increasing at a rate of \$12 per day. In 1982, our Con-



Former House Speaker John Gregg kicked off his exploratory committee on May 9. He appears to be the only major Democratic candidate for the 2012 governor nomination. (HPI Photo by Brian A. Howey)



gress raised the debt limit to \$400 billion dollars. In one generation, it has increased by a factor of 35 times to its current level of \$14.3 trillion, and some in Congress feel it must be raised again. I firmly disagree." Mourdock added, "Negotiating a deal across the political aisle to simply cut spending at any level is a folly. Numerous times in the past such deals were agreed to, but once the debt limit was raised there were no serious efforts at reducing spending. If it had worked in the past, we wouldn't be in this current mess."

Mourdock, received the support of the majority of the Indiana Republican State Central Committee. Some of the committee members will change in June when Congressional districts reorganize after redistricting. "I am grateful for the continued support of both national committee members and the support and encouragement of the majority of the Indiana Republican State Central Committee," stated Treasurer Mourdock. "We all share a common belief that a leadership change in the United State Senate from Indiana is needed." This list includes: Jim Bopp, National Committeeman; Jim Banks District 3 Vice-Chairman; Dee Dee Benkie, National Committeewoman; Barbara Knochel, District 4 Vice-Chairwoman; Mary Ann Critser, District 1 Chairwoman; Ted Ogle, District 6 Chairman; Sue Landske, District 1 Vice-Chairwoman; Marsha Carrington, District 8 Chairwoman; Sam Frain, District 2 Chairman; Richard Bramer, District 8 Vice-Chairman; W. Edward Smith, District 2 Vice-Chairman; Donald Hayes, District 9 Chairman. The Mourdock campaign stated, "Many of the remaining District Chairs and Vice-Chairs not supporting Treasurer Mourdock have a personal policy of not endorsing in Primary Elections or are not taking a public position in this race."

Mourdock was also endorsed by Steve Forbes, who said, "Treasurer Mourdock earned my respect and therefore my endorsement for a host of reasons, especially his understanding of the need for lower taxes and less government so we can grow the economy and create jobs. I know what it is like to take on the establishment because I've run an outsider campaign myself. We need strong conservative principles and fresh outsider perspectives in Washington. It is time for a leader like Richard Mourdock in the U.S. Senate." **Primary Horse Race Status:** Leans Lugar

### **5th CD: McGoff to challenge Burton**

Dr. John McGoff will announce his candidacy Wednesday. He is challenging Dan Burton who has held the seat since 1983. McGoff, an emergency physician in Indianapolis and brigadier general in the Air Guard, is making his third run at the incumbent Congressman (Howey Politics Indiana). "When I first ran in 2008, I knew it would take more than one election cycle to defeat an incumbent Congressman," McGoff reports. "Despite being outspent

almost five to one, I surprised many people by getting 45% of the votes. I knew that the voters wanted a change. They never had an alternative to Burton. In 2010, with five other candidates in the race the anti-incumbent vote was split. But when all the votes were counted, seven out of ten people voted against Burton. It's clear that voters are dissatisfied with his leadership." The 5th District demographics are different this time around because of redistricting. Several of the northern counties, including Huntington, Wabash,



**Dr. John McGoff will challenge U.S. Rep. Dan Burton for a third time.**

and Miami, which were Burton strongholds during the last two primaries have been sliced out of the newly formed 5th District. "We like the dynamics of the 2012 primary. Marion and Hamilton counties still make up the bulk of the 5th District," McGoff points out, "In both 2008 and 2010 our campaign did extremely well in these counties. During this primary we plan on building on our previous success." "Our country is going through one of the most difficult times in its history and we are still a long way from being out of trouble," McGoff says. "Jobs have not returned to central Indiana. Families are still struggling. Just

when we think we have turned a corner, we experience another setback. Today, it's ridiculously high gas prices. Our economy is so fragile that we need leaders in Washington with fresh ideas that produce results." "In 2008, I made the decision to run because I didn't believe that my daughter would have the same opportunities for a bright future as I had," McGoff remembers. "Today, she's a teenager and I'm even more worried for her future. With my family's support, I'm entering the 2012 primary so that the 5th District voters will have a choice; a candidate who is highly qualified and has no political obligations to the Washington elite."

**Primary Horse Race Status:** Tossup

### **6th CD: Messer enters**

Former State Representative Luke Messer announced a run for U.S. Congress in Indiana's newly redistricted 6th District – a position currently held by Congressman Mike Pence. With Mike Pence's recent announcement that he will seek the Republican nomination for Indiana Governor, the district becomes an open seat in 2012 (Howey Politics Indiana). "Mike Pence is a great friend, and I believe he will make a great Governor," Messer explained. "Mike will be a tough act to follow in Congress, but we will work hard over the next year to earn the opportunity. Like Mike, I will stand up for the U.S. Constitution, conservative limited government principles and a return to fiscal sanity in our federal government." "This area is my home, and my roots to this district date back almost 40 years," Messer



continued. "I grew up here. My wife and I are raising our family here. I worked for the voters in this district as a Congressional staffer and as a Member of the Indiana General Assembly. It would be an honor to serve this area as a Member of Congress. Over the coming weeks and months, we'll travel the district meeting old friends and new, working to earn this opportunity to serve," Messer concluded. "We will build upon our grassroots team and work to earn the support of voters, activists, elected officials, and Party leaders. Together, we can continue the legacy of strong, conservative leadership for the 6th Congressional District and Hoosiers all across our state."

Last week Travis Hankins joined Don Banks Jr. and former Wayne County Sheriff Matt Strittmatter in the race. He finished second to U.S. Rep. Todd Young in the 2010 9th CD Republican primary and above former congressman Mike Sodrel. "In November 2010 we elected plenty of Republicans to Congress but we did not elect enough conservatives," said Hankins. "Nothing will change until we change who we send to Washington to represent us. We can't keep sending lawyers, lobbyists and political insiders. How can we expect them to stand up to the political machine when they are the machine?" **Primary Horse Race Status:** Tossup

## 2nd CD: Straw and Butch

A Democrat running for north-central Indiana's seat in the U.S. House of Representatives is taking an early shot at his own party (Allen, South Bend Tribune). Goshen lawyer Andrew Straw is criticizing the St. Joseph County Democratic Party in news releases and a YouTube video because the organization's headquarters is not accessible to people in wheelchairs. Straw, the only Democrat who officially has entered the 2012 race for the 2nd District, also opposed county and district chairman Butch Morgan on Sunday when district officials voted to re-elect him as chairman. Morgan defeated Straw 15-1. Morgan said party leaders already were working on changes to the headquarters at Jefferson and Lafayette boulevards in downtown South Bend to make it wheelchair accessible. The county Democrats began renting the one-story building in 1994 and bought it about five years ago. Morgan said they looked at converting steps to a ramp at one entrance in 2008, but



**Luke Messer kicked off his 6th CD campaign in Morristown on Tuesday. It is his second 6th CD campaign after running in the 5th CD in 2010.**

the project stalled after the initial cost estimate came in at \$40,000 to \$60,000. He said they have since designed a plan that, with the help of volunteer labor from building trades groups, will bring the cost under \$10,000.

## Showdown over Chrysler looms

If you're looking for a sure fire issue in Indiana for 2012, it may be over Chrysler and it could play out in the presidential, gubernatorial and U.S. Senate race here in Indiana.

When Chrysler announced it would pay back government loans on Tuesday, President Obama said, "This announcement comes six years ahead of schedule and just two years after emerging from

bankruptcy, allowing Chrysler to build on its progress and continue to grow as the economy recovers. Supporting the American auto industry required making some tough decisions, but I was not willing to walk away from the workers at Chrysler and the communities that rely on this iconic American company. I said if Chrysler and all its stakeholders were willing to take the difficult steps necessary to become more competitive, America would stand by them, and we did."

Asked about the repayment on Tuesday, Gov. Mitch Daniels said, "It was a massive bailout. Anybody could make money under the circumstances that occurred there. I'm glad for the individuals involved. I hope they make a go of it. It's now an Italian car company. It's been given to Fiat almost for free. I wish them well and I hope they do a good job with it. With both Chrysler and GM, even if they pay back the loan, it was a massive taxpayer contribution to keep those two companies afloat. We'll never know if there would have been more or fewer jobs if that had not occurred."

Indiana Democratic Chairman Dan Parker noted, "After receiving loan packages and emerging from structured bankruptcy reorganization, Chrysler and General Motors are both hiring again and operating at a profit." Parker noted that Indiana Gov. Mitch Daniels and U.S. Rep. Mike Pence, who is seeking the Republican gubernatorial nomination, both opposed the President's auto plan. Mourdock spent more than \$2 million of taxpayer dollars in an unsuccessful lawsuit against Chrysler. "While the President was leading the way with a plan that's saved our domestic auto industry, these guys were up on a soapbox with the latest partisan talking points from Washington," Parker said. ❖



## Tea Party would have been trouble for Mitch

By **DAVE KITCHELL**

LOGANSPORT - About six years ago this fall, Mitch Daniels stood in a tent near Indiana University's football stadium.

He was there for a pre-game reception prior to the Purdue-Indiana Old Oaken Bucket game. He wasn't clad in either school's colors. He purposely wore blue, admitting he chose the nonpartisan colors of the Indianapolis Colts over the colors of either school. If you're a governor, that's what you have to do if two state schools are playing.



That also may explain why Daniels, in the end game of politics, decided not to seek the presidency.

Would he have had backing from the party? Sure.

Would he have resonated with voters in the electorate who want federal officials to be deficit hawks? Absolutely.

Would he have defeated Barack Obama? Probably not, but we'll never know.

What we do know is that as politically correct as Daniels was in that Bloomington tent, he probably wouldn't have been as comfortable with the Tea Party faction of the Republican Party.

Daniels was as wired into the last Republican presidency as anyone and he prided himself in the retail campaigning he did in Indiana to relate with down-home Hoosiers. But the Tea Party faction is a different animal. Tea Party Republicans either want their way or the highway. Witness the staunch support of Richard Mourdock, who is attempting to ride its wave to tsunami Richard Lugar from the U.S. Senate

next year.

**Genuflecting to the likes** of some Tea Party extremists is not Daniels' style. If he had any hope of beating Obama, he needed its support, or would at least have to appear to be in its corner, as is the case with Tea Party Caucus members such as Michele Bachmann of Minnesota.

Suffice to say the Tea Party may not be the end of the world, but the members can see it from there.

What can be said about Daniels now is that his political future is probably over as an elected official, although a vice presidential bid can't be ruled out. What makes Daniels attractive as a candidate is his experience in the White House and as a governor. He will be considered vice presidential timber and certainly White House chief of staff material if the Republicans somehow win the White House next year.

Whether he'll pursue those options if they are presented is unclear.

**What is clear is that Daniels** and his family may have based their decision on the very real possibility that even if he ran, and ran hard, he would lose big. Obama has been at or above 60 percent in approval ratings since Osama bin Laden's death. It's probably not coincidence that other Republican candidates are dropping like flies and there is no clear-cut favorite for the nomination a year away from the 2012 primaries.

Another factor to consider is that the Daniels family has weathered storms. The divorce and eventual remarriage was a happy ending to a family story that didn't require an encore.

In reality, Daniels could have become the 21st

century equivalent of Wendell Willkie, the Indiana congressman from Rushville who was the Republican nominee in the 1940s, yet virtually vanished from political life after he was soundly defeated by Franklin Roosevelt.

So for now at least, the candidate who campaigned with the bumper sticker "My Man Mitch" is not the Republicans' man. He joins an illustrious group that includes Mike Huckabee and Donald Trump, and there will be more. ❖



Dick Arney from FreedomWorks honored Daniels last winter. Arney was hoping Daniels would seek the presidency.

**Kitchell is an award-winning columnist based in Logansport.**



## A clear path to the family's veto

By JACK COLWELL

SOUTH BEND - Mitch Daniels' skillfully orchestrated run for president ended after he convinced key party leaders and fundraisers who matter a lot but not those who mattered most - his family.



For many months, it was clear that Daniels was running for the Republican nomination for president, in the sense of doing all the right things and building expectations for a formal announcement of candidacy.

He delivered major speeches, staked out budget restraint as his No. 1 issue, was impressive in interviews capturing national attention and attracted support from party leaders searching for an adult to enter a race that

seemed to be childish, with a clown like Donald Trump capturing the headlines.

When finally Daniels issued the surprising Sunday night statement that he would not run, his spokesmen made clear that they thought - and he thought - that he had a clear path to the nomination and could win the presidency.

While the path might have been clear politically, it was blocked by what Daniels called a veto by his wife and four daughters, a "family constitution" veto by "the women's caucus, and there is no override provision."

May 12 was an important date, one that was to bring the veto.

**Daniels arranged for his wife,** Cheri, though long reluctant to be in the political spotlight, to speak at the big Republican spring dinner in Indianapolis, with national attention focused on the event as speculation grew about a presidential candidacy.

It appeared to be part of the skillful orchestration, both raising expectations and enabling the couple to see how the national news media would handle their divorce and remarriage, also getting that situation out there so it

would not hit as a revelation on announcement day.

I wrote that Cheri Daniels would not have gone out as the fundraiser speaker if she or their children had vetoed a presidential run. True. But I was mistaken in thinking that the veto threat had been resolved.

**Reaction to the speech,** with the inevitable laser focus on anyone deemed to be a serious presidential prospect, included details about their divorce and remarriage, with Cheri Daniels in between moving to California and marrying another man, while the four daughters, then ages 8 to 14, continued to live in Indianapolis with their father.

After providing a statement to the Indianapolis Star that he would not run, the governor hurriedly sent a second statement to the newspaper, a defense of his wife in that 1990s situation. He wrote:

"The notion that Cheri ever did or would 'abandon' her girls or parental duty is the reverse of the truth and absurd to anyone who knows her, as I do, to be the best mother any daughter ever had."

The emotional postscript seemed to spell out why the veto came.

Cheri Daniels, and presumably the daughters as well, did not want to deal publicly with all the scrutiny of their private lives, including the nastiness that likely would have developed amid a long, hard-fought battle for the

Republican nomination. Rumors, intentionally planted, often abound.

Daniels had played the Hamlet role before - to run or not to run - about governor of Indiana. He built expectations and support while lesser prospects floundered and then said "yes" at the right time, winning the nomination for governor and the governor's office. His wife, though reluctant and not joining in campaigning, did not cast a veto then. But the Indiana news media didn't focus on their prior marital situation.

The national news media and the political blogs, when it comes to revealing all about serious presidential prospects, show no mercy. Nor do presidential nomination opponents.

And so, Daniels this time finished the Hamlet bit by saying it was not to be. ❖

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







## Is Indiana's economy healthy?

By **MORTON J. MARCUS**

INDIANAPOLIS - Flash: the Rapture ruptured and Mitch Daniels declined enthronement as the GOP savior. Nonetheless, the Indiana Department of Workforce Development (DWD) released its labor force and employment data for April.

The full implications of the first two events will not be known for some time. The data releases improve our understanding of the current economic recovery.



The labor force, you recall, is the number of people working plus the number who are actively looking for work. DWD reports the unemployment rate as the percent of the labor force that is not working, but actively looking for work.

As headlines across the state reported, Indiana's jobless rate in April 2011 fell 10.7 to 8.2 percent. For 14 consecutive months, since

March 2009, our unemployment rate has declined. That's impressive, but not indicative of a healthy economy.

Usually when an unemployed person gets a job, the number of persons unemployed goes down and the number employed goes up. That's a healthy economy. In Indiana, since February 2009, the number of persons with jobs climbed by 48,500 while the number unemployed fell by 81,100. What happened? Where are the 32,600 formerly unemployed Hoosiers who did not get jobs? In these improving times, why does 40 percent of the decline in unemployment come in the form of leaving the labor force?

Were these missing people taken up in an unnoticed Rapture called retirement? Did they accept full-time volunteer positions in the Daniels for President campaign? Did they return to school or are they ensconced at home, discouraged about their prospects? All such persons fail to qualify for inclusion in the labor force which includes only those working for pay or looking for such work.

**It was similar, but different**, in the heart of the recession. Labor force drop-outs played a major role in the number of employed as the Hoosier economy contracted for 22 consecutive months. Between February 2008 and November 2009, the number of persons with jobs fell 284,200. Of these, 37 percent (104,200) became unemployed and 63 percent (180,000) dropped out of the labor force.

Is Indiana's economy healthy? If massive numbers of people are leaving Indiana, that does not suggest a healthy economy. Instead, we have a declining labor force with a growing population. Even if our average age is older than the typical state, social and economic forces over the past few decades have been keeping more and more people working longer.

**During the recovery-to-date**, we have regained just 21 percent of the employment lost. It may speak well for our economy that so many could drop out of the labor force and depend on their savings or the kindness of strangers for sustenance. Possibly it is a sign of our hearty Hoosier nature that we can withdraw (temporarily) from the consumer-driven economy and enjoy the simple life.

I doubt it. Even with personal savings, help from family, and minimal unemployment compensation, this has been a devastating period for the people who depend on our economy.

Other data from DWD report only 5,600 jobs added in Indiana over the past year. If you take out the growth of manufacturing jobs, the rest of the Hoosier economy added, on balance, no jobs at all.

**The state's 14 metropolitan** areas split in the job growth report. Led by Kokomo and Elkhart-Goshen, six areas increased in jobs. Anderson and Muncie led the seven losers on the downside. (Bloomington had no change, which, after their vote to block I-69, seems to be what they like there.)

If Mitch had run for president, could he sustain his buoyant confidence about the health of our state's economy?

The national press might look behind the numbers and puncture the celebratory balloons. ❖

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



**Matt Tully, Indianapolis Star:** Can you blame him? That's the first thought I had when two of Gov. Mitch Daniels' closest advisers walked into The Indianapolis Star on Saturday night and announced, in the most melancholy way possible, that their man Mitch would not run for president. They handed a few of us a five-paragraph statement, closing the door on a 2012 campaign — a statement personally written by Daniels and dripping with the sentiment of a man who desperately wanted to mix it up on the national stage. More than half of it, in fact, focused on issues he'd like to see addressed by presidential candidates. As Mark Lubbers, one of the advisers and one of Daniels' oldest friends, said: "He wanted to do it." But, Lubbers added, Daniels is a veteran of two White Houses. From that vantage point, "he's seen what it does to the person and the family." And the statement Daniels had released Saturday to The Star insisted the decision came down to, as many had long predicted it would, his family's resistance to a White House campaign. "Simply put," Daniels wrote, "I find myself caught between two duties. I love my country; I love my family more." The women in his life, he said, referring to his wife and daughters, vetoed the idea of a run, "and there is no override provision." Lubbers and state Republican Party Chairman Eric Holcomb, who were told by Daniels of his decision Saturday afternoon, said he was comfortable with the call. He would not second-guess himself or look back in regret, they said. Still, it has to be a bitter pill. His would have been an intriguing campaign and, as many politicians nationwide have said recently, and he would have added another much-needed adult voice to the 2012 conversation. As with anyone running for president, the odds would have been against him. Most people who run for the office, after all, don't win. But the political landscape was laid out in Daniels' favor — with a stunningly weak Republican field and an increased public concern about government spending, his core issue. Top GOP fundraisers and operatives have waited on the sidelines, hoping Daniels would enter the contest. "It's clear to me that he had a clear path to the nomination," Lubbers said Saturday night. Many agree. ❖



**Mark Salter, Real Clear Politics:** In my first column for RCP I urged Mitch Daniels to run for president. I had intended to use this one to regret his decision not to. But after reading the governor's email to his supporters explaining his choice and some of the commentary that followed his announcement, I've decided to express a few other regrets as well. I am disappointed by his decision, and I'm sorry for the country, too. No other prospective candidate had a record of accomplishment as impressive as his. More importantly, I think Mitch Daniels has personal

qualities that Americans yearn for in public leaders even as our political culture impedes them. Had he run, I would have wagered on his nomination. More importantly, so would have a pretty wide circle of Republican leaders and financial heavyweights -- who have much greater credibility and resources to wager than I -- as well as grass-roots enthusiasts for Daniels. ❖

**Greg Sargent, Washington Post:** In case you were wondering just how central the successful bailout of the auto industry will be in making Obama's case for reelection, the White House is circulating a new set of talking points to outside allies and surrogates, instructing them on how to place the argument in its larger political context. The key bit: · President Obama took office during the worst recession in a generation and nowhere was the devastation felt harder than in the American auto industry — which was shedding hundreds of thousands of jobs and crushing entire communities. · Facing this situation head on, the President made a bold and, at the time, politically unpopular choice - he stood with Chrysler, its workers and the communities whose economies depend on the industry. · By standing by a tough but fair restructuring, the President and his Administration helped provide the auto industry with a solid foundation to grow and prosper as the economy recovers. · This was a tough decision, and came with significant risk. But if there was a credible chance to let these American workers succeed, the President was not willing to walk away from them or from the American auto industry. There are a few interesting points here worth noting. First, as the above talking points show - note the repetition of the word "tough" - Obama's decision to bail out the auto industry in the face of intense criticism fits into the story Obama advisers are trying to tell: That Obama is a decisive leader who accomplishes "big things." Second, virtually every one of the leading 2012 GOP contenders got this wrong. Tim Pawlenty, Mitt Romney, and Newt Gingrich - to a man - are all on record predicting that the bailout would be disastrous to the auto industry. Precisely the opposite happened. Third, the successful rescue of the auto industry is an important weapon for Obama in the larger ideological battle that will drive this campaign - the one over the proper role of government and the efficacy of government spending in righting the economy. Conservatives criticized Obama's decision in starkly ideological terms, suggesting it amounted to socialism, a war on capitalism, and worse. They were wrong. With Obama still very vulnerable on the economy, and with Republicans casting Obama's agenda as Big Spending Liberalism run amok, here is an unambiguous example of Federal interference in the economy resulting in a clear success story. ❖



## Daniels discusses red menace

WASHINGTON - Less than a week after deciding not to seek the GOP nomination for president, Gov. Mitch Daniels participated Wednesday in a summit on the nation's shaky finances, the issue that would've been the centerpiece of his campaign (Groppe, Gannett News Service). But the national political reporters who swarmed Daniels when he spoke on education at a Washington, D.C., think tank earlier this month were listening instead to presidential hopeful Tim Pawlenty talk at the Cato Institute about shrinking the federal government. A gaggle of reporters, which included an Al Jazeera reporter and some who cover fiscal issues, did approach Daniels after his event. "It's good to have it behind me," Daniels said of his decision not to run. Asked how he can get his message out now that he's rejected a bid, Daniels said he'll "try in a modest way to make these points and try to further public understanding." A book he's written on the issue comes out this fall. "That might give me a little chance to go around and speak about it," Daniels said. "Maybe two or three people will actually buy the thing." At the fiscal summit, Daniels answered questions posed by conservative commentator George Will, who is a Daniels fan. Will said Daniels' decision not to run because his wife and daughters were against it reminded Will of the late political reporter David Broder's rule that "anyone who will do what you have to do to become president shouldn't be allowed to be president." "We respect as much as we regret your recent decision," Will told Daniels.



Gov. Daniels chats with U.S. Rep. Todd Young in the U.S. Capitol on Wednesday. (Photo by Trevor Foughty)

## Lugar friendship with Obama on ice

WASHINGTON - President Barack Obama was leaving a Senate Republican meeting on the budget earlier this month when he unexpectedly bumped into Sen. Dick Lugar (R-Ind.) as they both came off the White House elevators (Politico). Lugar voiced his objections directly to Obama about the U.S. military policy in Libya, raising concerns about its scope and cost and the lack of de-liberation within Congress about the NATO bombing campaign. It was the latest in a steady stream of criticisms Lugar has voiced about Obama's policies and agenda. During the past several weeks, Lugar has blasted Obama in stark terms for lacking a "vision" in Afghanistan and for delivering an "over-the-top" partisan speech on immigration policy. Protesting Obama's speech, Lugar has withdrawn

his co-sponsorship of the DREAM Act, an immigration-reform measure. On Monday, Lugar sent a lengthy letter to the president about his administration's "failure" to consult with Congress on the Libya campaign — even as a bipartisan group of seven other senators introduced a resolution backing the military conflict. Lugar's overt criticism points to a divorce of sorts between the elder statesman from Indiana and the young president, who regularly touted his relationship with Lugar during Obama's 3½ years as a senator and throughout his presidential campaign. The breakup comes as Lugar faces a tough primary from the right in his home state — his first such challenge since 1976. In the past, Obama has played up his connections to the respected senior senator. When he announced his run for president in 2007 in front of the Old State Capitol in Illinois, Obama cited his work with Lugar — the Foreign Relations Committee's top Republican — on containing the spread of nuclear arms around the globe. When the campaign was up and running, Obama cut TV ads citing his fact-finding mission to Russia with Lugar. And when it was time for a debate against Sen. John McCain in 2008, Obama said he solicited foreign policy advice from Lugar, whom he predicted would be part of a bipartisan brain trust "surrounding me in the White House." "That was not at my request," Lugar told POLITICO in an interview Tuesday. "The president really pre-empted the relationship."

## Panel denies Charlie deposition

INDIANAPOLIS - The state Recount Commission today denied the Democrats' request to take depositions from Charlie White and other witnesses who will be called to testify in a hearing next month on whether he was eligible to run for Secretary



of State (Indianapolis Star). Democrats said they need the depositions to check for inaccuracies or inconsistencies in the statements White and the other witnesses might give in the hearing, set for June 21. However, the Republican majority said the hearing will not be run like a formal court hearing and that rules normally used in a trial won't apply. White and the other witnesses will be subpoenaed to testify at the hearing. Democrats said they are considering an appeal of the commission's decision to a judge. White faces seven felony charges in Hamilton County stemming from allegations that he lied about his address when voting in 2010. Indiana Democrats say that because White was illegally registered to vote when he declared his candidacy for secretary of state last year, he was ineligible to run for the office. The commission initially declined to hear the Democrats' complaint in December. The Democrats then appealed in Marion Circuit Court. Marion Circuit Judge Louis Rosenberg ruled April 7 that the complaint is valid and that the commission must hear it."

## **PPIN funded through June 15**

INDIANAPOLIS - Planned Parenthood of Indiana says it will continue serving Medicaid patients through at least June 15 after receiving more than \$100,000 in donations from 46 states and several countries (Associated Press). The organization says that donors are responding to a new Indiana law cutting off much of its public funding. Planned Parenthood said Wednesday the donations are a temporary fix that will allow 9,300 Medicaid patients at 28 health centers across Indiana to continue receiving care such as Pap tests, breast exams and testing for sexually transmitted diseases. A federal judge has set a June 6 hearing on Planned Parenthood's request for an injunction blocking the new state

law that was pushed by Republicans. The judge has said she'll rule on the matter by July 1.

## **Delph decries ACLU suit**

INDIANAPOLIS - State Sen. Mike Delph (R-Carmel), author of the measure cracking down on illegal immigration in Indiana, offered the following comments on today's court filing by the Indiana ACLU in an effort to stop the enforcement of certain provisions in Senate Enrolled Act 590. "Though I have not had the opportunity to review the specifics of the filing, it appears the ACLU has filed a lawsuit against citizens of Indiana in favor of illegal immigrants," Delph said. "This is not surprising given their very liberal leanings. What is equally unsurprising is their team of immigration attorneys that continue to profit financially off the backs of this captive market. Illegal immigration is just that - illegal. Those here unlawfully need to return to their country of origin and re-enter by lawful means. It's time we stand up for the taxpayer and the American citizen who wants nothing less than existing law enforced."

## **Tomes 'outraged' by cour decision**

INDIANAPOLIS - State Sen. Jim Tomes (R-Wadesville) announced today he will work to uphold constitutional rights provided by the U.S. Fourth Amendment and Indiana's Bill of Rights through clarification of state self-defense and search-and-seizure laws in the 2012 legislative session. Tomes and other state lawmakers have been speaking out after Indiana's Supreme Court ruled on a Vanderburgh County case in which a man questioned about a domestic violence call scuffled with a police officer who

tried to enter his house without a warrant and against his wishes. The high court contended that "allowing resistance unnecessarily escalates the level of violence and therefore the risk of injuries to all parties involved without preventing the arrest." "I am outraged and deeply offended by a recent judgment made by our state's high court," Tomes said. "It is a direct assault on the Fourth Amendment to take away Hoosiers' right to resist questionable entry into their homes. As a state lawmaker, I was elected to work in the people's interest and plan to do just that in this case by working to clarify Indiana code next session."

## **200 rally against Supreme ruling**

INDIANAPOLIS - More than 200 Hoosiers came to the Indiana Statehouse on Wednesday to protest a Indiana Supreme Court ruling that even the governor has questioned (Kelly, Fort Wayne Journal Gazette). They carried American flags, pocket copies of the U.S. Constitution and signs deriding the justices who decided the case. "Justice Steven David - Enemy of the Constitution," said one placard, referring to the justice who penned the majority opinion. Many at the rally called for Hoosiers to reject David in a retention vote scheduled for November 2012. Gov. Mitch Daniels appointed him to the court last year. "This month the Indiana Supreme Court ruled citizens no longer have the right to refuse entry to law enforcement without a warrant or probable cause," said Sean Shepard, who was master of ceremonies for the event Wednesday. "A boundary has been crossed, and we're not going to tolerate it."