



# Debt ceiling crisis splits delegation

### Vote parts GOP and Dems, Senate race could hinge on how it's perceived

By **BRIAN A. HOWEY**, in Indianapolis and **MARK SCHOEFF JR.** in Washington

WASHINGTON - The Tea Party set the agenda.

The Republican old-guard reasserted itself in the final hours and forged a deal no one is really happy with.

President Obama, faced with a 9.2 percent jobless rate, couldn't afford to let the United States slip into default, which was the universally unacceptable result to everyone but elements of the Tea Party and Club for Growth.

Republicans, controlling a little over half of one chamber in Congress, called the President's bluff on this "manufactured crisis" while manufacturing plants across the country were quiet. Obama, without a deal of his own, had to swallow this deal while his base grimaced over a "Satan sandwich."

There were \$1.5 trillion in cuts, no tax increases, and a new super committee that will try to find more permanent solutions this fall.

Indiana's congressional delegation was split 5 to 6 over this matter, almost in half, as was the House Tea Party Caucus. Two Republicans, U.S. Sen. Dick Lugar and U.S.



Republican U.S. Reps. Marlin Stutzman, Mike Pence, Todd Young, Todd Rokita and Larry Buchson played defining roles in the debt ceiling debate. (Pence Photo)

Rep. Mike Pence, facing the races of their political lives in 2012, voted for the measure.

Two Republicans in the safest districts, U.S. Reps. Todd Rokita and Marlin Stutzman, voted against the measure, joining liberal Reps. Andre Carson and Pete Visclosky, as well as Sen. Dan Coats. And the most vulnerable, U.S. Rep. Dan Burton, also voted no.

"I don't see this so much as a good deal. I see it

**Continued on page 3**

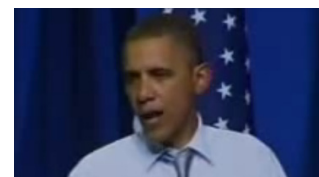
# The winners & losers

By **MARK SOUDER**

FORT WAYNE - Trying to sort winners and losers in this vote is not easy, though it helps clarify some of the key issues.

### Winners

**1. Speaker John Boehner:** Quite frankly, last week he looked like the biggest loser and possibly would soon be "former Speaker John Boehner." But in another Boehner "back from the dead" recovery similar to having been ousted as Conference Chairman only to emerge as Minority Leader, the Speaker again proved that he is a survivor, this



**"When I said 'change we can believe in' I didn't say 'change we can believe in tomorrow.' We knew this was going to take time because we've got this big, messy, tough democracy."**

**- President Obama, in Chicago**



## Howey Politics Indiana

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

**Brian A. Howey**, Publisher  
**Mark Schoeff Jr.**, Washington  
**Jack E. Howey**, editor  
**Beverly K. Phillips**, associate editor

## Subscriptions

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

☎ Call 317.627.6746

## Contact HPI

Howey Politics Indiana  
6255 N. Evanston Ave.  
Indianapolis, IN 46220  
**www.howeypolitics.com**  
bhowey2@gmail.com  
☎ Howey's cell: 317.506.0883  
☎ Washington: 703.248.0909  
☎ Business Office: 317.627.6746

© 2011, Howey Politics Indiana. All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, whole or part, is a violation of federal law without permission from the publisher. ❖

time with the whole world watching.

### 2. Conference Chairman

**Mike Pence:** He was in a nearly impossible situation of being head of the House Republican Conference and a Tea Party hero. His opposition could have defeated the bill and resulted in blame for a default. Instead, he held his nose and voted for a bill, and defended the difficult vote, showing that he is prepared to govern and not just advocate.

### 3. Congressman Joe Donnelly:

His vote in favor of the bill did not endear him to more liberal Democrats, but he positioned himself perfectly to win the Senate race should Senator Lugar lose the primary.

### 4. Congressman Todd

**Young:** He may have established himself as the top Hoosier Republican in the House over Todd Rokita because of Rokita's back and forth on the votes. Todd R should never be underestimated, but the guys who voted both yes on Friday and then no on Monday lost internal credibility as well as among those who watch closely. Posturing seldom impresses those who pay attention.

### 5. Congressman Paul

**Ryan:** He grows in stature with each debate. He is clearly a thinking conservative, who understands – with TARP and now the debt limit – that sometimes you take as much as you can get to avoid economic collapse, and then go on to the next battle.

### 6. Congressmen Andre

**Carson and Pete Visclosky:** Somebody had to stand up for real Democrats and they did.

### 7. President Obama (maybe):

Did he successfully pull a Clinton triangulation of the left and gain votes in the middle? Many conservatives viscerally hate him and most conservatives are still outraged by his policies, but that was true of Bill Clinton too. Plus those who are vehemently against him were against him last time as well. Health care and climate change still lurk, as do first and fore-

most our economic struggles, but it is hard to see how the President didn't gain something in the middle.

**8. America:** We didn't default, democracy sort of worked, and it could have been worse.

## Losers

**1. The left flank of the Democrat Party.** Most of their own party abandoned them. It was shocking how many Democrats voted for the bill and bailed out Republicans who would have had to vote yes.

**2. Congressmen Dan Burton, Todd Rokita and Marlin Stutzman:** They strengthened their hands short-term but lost respect long-term as opportunists. They voted for a worse bill on Friday, for the rule to permit it to pass, but then made colleagues walk the plank to vote for a bad bill so they could look good. Burton is sadly becoming a tragic figure, Stutzman increasingly irrelevant, and Rokita put at risk his leadership potential but probably strengthened himself in Indiana. When even Ann Coulter said to get a deal, it means that you are hanging on to the right edge of a cliff by your fingernails.

**3. Senator Dan Coats:** He just looked inconsistent last week, first saying that he didn't run for the Senate to watch America default and then refusing to support the deal thus, in effect, snubbing Senator McConnell. His opposition was well stated, had it been stated a week earlier. It was incredibly irrelevant this week since Members were voting either to default or not to default. No one liked the bill, so what was his speech about? Though it appears unlikely, should he get appointed to the Debt Commission as someone who voted "no" but is responsible, which could have been in his or in McConnell's head, he would become a big winner. I've been a close friend and supporter of his for well over 30 years, but this really confused me as out of character for him.



**4. Nancy Pelosi:** She was ignored, then rambled in her closing floor statement, and lost liberal credibility by urging passage. Most former Speakers leave after they lose their post so why is she still there? She was definitely the biggest loser.

### Tossups

**1. The Tea Party:** Without their incredible, passionate intensity the deal likely would have been a lot worse from a conservative perspective. They flexed muscles, scared some people about primaries, and proved again their ability to actually impact policy in a conservative direction. However, they didn't just declare a minor victory and move on to the next fight but continued to blast away. They failed to scare two-thirds of the Republicans who increasingly question whether some of the leaders speak for the voters because they don't know when to stop pushing.

**2. Democrat Senate Leader Harry Reid:** Up and down and around so it is hard to say whether he gained or lost.

**3. Congressman Larry Bucshon:** He took the tough votes in arguably the toughest Indiana district for a Republican incumbent. Will he get credit for helping avoid

a default or will those who favored default come after him in a primary? Probably both will happen, and no one really knows how to predict Southwest Indiana.

**4. Republican Senate Leader Mitch McConnell:** He seemed to be somewhat effective but comes across so muddled as a spokesman that it is hard to tell. He's a winner in policy and a loser in public persuasion.

**5. Senator Lugar:** He voted like the long-time responsible adult that he has always been. He probably fueled more Tea Party opposition with his yes vote but solidified himself with the bulk of the Party. He was hurt by Coats voting no but helped by Pence voting yes. Richard Mourdock is still in the awkward position of having wonderfully enthusiastic Tea Party support that tends to alienate the swing voters of the Party. 2012 will be a presidential, gubernatorial and senatorial primary year so turnout will not just be the most conservative voters. Had the senator voted "no" he would have looked like another pandering politician wanting to stay in office at any cost. He did the right thing but it is hard to guess the net impact. ❖

**Souder is a former Republican member of Congress.**

## Debt ceiling, from page 1

as a good start," said Pence in a Wednesday interview at the Rathskeller in Indianapolis. "We have a long way to go. This is a first step in a long process to restore fiscal discipline in Washington, D.C. I thought it was worth supporting. I don't think it was anything to write home about. The most I can say about it is that it is a modest, meaningful step in the direction of fiscal discipline."

"All we did here was stop digging," said Pence, who left Washington Tuesday and ended up at the Morgan County 4-H Fair watching bull competition, even standing in the inevitable bovine by-product. "That's all we did. I am very sympathetic to colleagues and constituents who wanted to do more and wanted to demand cuts that began to reduce the national debts and deficits today. My objection was we recognize if you owe debts, pay debts, we had to find an obligation to pay the nation's bills. But my requirement was to do that in a fiscally responsible way."

The New York Times reported: By the end of the 10-year deal, the federal debt would be much larger than it is today. Indeed, both the government and its debts will continue to grow faster than the American economy, primarily because the new law does not address federal spending on health care. The Congressional Budget Office estimates that the federal debt is likely to exceed 100 percent of the nation's annual economic output by 2021, largely because of Medicare, Medicaid and Social Security."

### Liberals & Conservatives Unite

Opposition ran from the liberal to conservative within the Indiana delegation.

Rep. Visclosky told the Post-Tribune, "At a time when our economy is again faltering, it eliminates vital investments in our economic infrastructure due to our inability to address long-term problems. It provides continued funding for two wars, leaving the defense industrial complex untouched. From 2008 to 2010, twelve corporations, including Wells Fargo and General Electric, made a combined \$171 billion in profits, but paid no federal corporate tax as a result of a convoluted tax code, while my constituents were paying their income taxes."

Two freshmen Republicans – Stutzman and Rokita – also voted no. Rokita objected when HPI characterized his position as favoring a default. But he ended up voting that way, knowing it would pass without him.

"It's important to remember that this debate is only one symptom of our nation's larger debt problem," Stutzman said. "I have consistently sought a solution that is grounded on the conservative principles of cut, cap and balance. Those principles informed my votes in favor of two separate bills that would have temporarily increased the debt ceiling in exchange for real cuts and genuine reforms. Unfortunately, Harry Reid blocked both the Cut, Cap, Balance Act and the Boehner proposal. After Speaker Boehner's admirable effort to again come to the table with the President and Sen. Harry Reid, this last-minute pro-





posal was brought to the House floor.”

Rokita said, “I heard a couple of different definitions of leadership today. Let me add mine: leadership is effectively persuading others of the proper course of action. It is also about standing up for those who have no voice. For decades now, we have spent too much money on ourselves and have intentionally allowed our kids and grandkids to pay for it. It is intergenerational theft – literally stealing from our best asset, our posterity. The correct course of action, as I have said from the beginning, is to enact permanent and structural reform as the price for raising the debt ceiling. Today’s bill does not do that.”

That may be true. But the alternative in the end was not a better bill. The other option was to have the country default on its debt. That outcome could have dealt a devastating setback to the U.S. and global economy and potentially sent interest rates skyrocketing. Every Hoosier could have been hurt.

U.S. Rep. Todd Young in the 9th CD is likely to face stiffer competition than his GOP colleagues – if not in 2012, then in upcoming cycles. Although he said that he did not fact political risk into his debt-ceiling decision, he worked hard to maintain a more nuanced stance. “I do remind my constituents at every turn about the severe implications of failing to increase the debt ceiling and what that could mean,” Young said in an interview during the heat of the debate in July.

Americans are more likely to oppose (46%) than favor (39%) the agreement President Obama and Congress reached to raise the federal debt ceiling, according to Gallup. Majorities of Democrats and liberals favor the agreement, while conservatives and Republicans largely oppose it.

Americans are quite pessimistic that the debt ceiling agreement will have a positive impact on the United States’ debt situation. Twenty percent view it as a “step forward” in addressing the situation, while roughly the same percentage, 22%, say it is a “step backward.” Half think it will have little impact, describing it as neither a step forward nor a step backward.

Pew Research reported that from liberal Democrats to Tea Party Republicans, there was broad public consensus that the budget negotiations of recent weeks can be summed up in words such as ridiculous, disgusting, stupid, and frustrating. Nationwide, 72% describe the recent negotiations in negative terms.

The Real Clear Politics poll composite put President Obama’s approve/disapprove at 44.9/49.4%. But the congressional job approval composite stood at 18.7/73.9%.

### The Senate race battleground

And Indiana becomes a vivid battleground in 2012 over this matter, with Lugar and Indiana Treasurer Richard Mourdock taking opposite sides.

Lugar defied political observers, who thought he would cave to the Tea Party by voting against the debt-ceiling deal. In typical Lugar fashion, he cast a vote for the agreement that achieved significant conservative wins in terms of budget and tax policy. But he also ensured that the Capitol Hill would participate constructively in governing the country and moving it incrementally toward a better budget situation - rather than simply being a redoubt of protest against spending. In contrast, Rokita and Stutzman, sought purity in a debt-ceiling dealing.

“Initially, President Obama asked Congress to raise the limit on U.S. debt without any cuts in spending,” Lugar said as he explained his vote on Tuesday. “He then asked for increases in taxes. Republicans succeeded in gaining substantial cuts in spending and no increases in taxes. We were also successful in gaining spending caps to restrain future spending. We were not successful in convincing the President or Democrats, who control the Senate, to support the balanced budget amendment to the Constitution. However, the final agreement continues to advance the cause with additional votes and incentives to encourage more support for it.”

Lugar added, “Additional deficit reductions will be determined by Congress and not an outside commission nor the President. If the Congress fails to find agreement, then mandatory cuts kick in. This is also a victory for conservative fiscal responsibility. Though the bill isn’t everything we wanted, it’s still a victory for conservatives over President Obama’s out-of-control spending and big government policies. And we stopped his effort to increase taxes dead in its tracks.”

Murdock was defiantly against the deal, embracing a Tea Party perspective, though his struggling campaign merely posted a statement on its website instead of the candidate making a conspicuous presence, an indicator of how volatile the issue is.

“Today, 19 Republican senators cast courageous votes in opposition to the Budget Control Act of 2011. I’m

	% Approve	% Disapprove	% No opinion
All Americans	39	46	15
Democrats	58	28	14
Independents	33	50	17
Republicans	26	64	10
Liberals	51	35	14
Moderates	48	32	20
Conservatives	25	64	10

USA Today/Gallup, Aug. 2, 2011



sure they have and will take much criticism for their actions," Mourdock said. "They will be accused of being reckless in standing for a principle that says government should live within its means. We need more of such people in the U.S. Senate."

With the Club for Growth releasing a poll two weeks ago showing Mourdock leading Lugar 34-32 percent, and Lugar responding with an American Viewpoint Poll showing him with a 45-31 percent lead (see page 8), this one issue could become the crux of the coming campaign.

At this early point, it's impossible to know how the issue will play out, its ramifications, and who will benefit.

Murdock added, "The 'tin can of responsibility' was once again kicked down the road. Our debt will grow another four billion dollars today, tomorrow, the next day and the day after that. Today merely sets the stage for an even bigger crisis. The debate on the size and pervasiveness of government shall continue even as government debt continues to skyrocket. When will we quit kicking the can down the road?"

Murdock told WISH-TV, "I think that was a very bad vote for Senator Lugar. You know, there was a time when he stood for real fiscal responsibility 35 years ago but yesterday he just kicked the can down the road."

Lugar noted that the plan that passed had the backing of Pence and Gov. Mitch Daniels, which puts them all in Mourdock's line of fire on the issue. Lugar also noted that he voted for the Boehner plan on July 29, opposed the Reid plan on July 31, and for the Cut, Cap and Balance plan on July 22.

Lugar political opponents such as former congressman Chris Chocola's Club for Growth opposed the plan. "The problems with this proposal are many, but fiscal conservatives should have obvious concerns for the lack of guaranteed future spending cuts, no requirement that a balanced budget amendment to the Constitution be sent to the states, a commission that could still recommend job-killing tax increases, and worst of all, two debt limit increases totaling over \$2 trillion within only a matter of months," the Club for Growth said.

The New York Times reported: Opposing the debt ceiling increase and linking arms with the Tea Party may help candidates tap into a reservoir of energy in their party's electorate. But it also threatens to alienate the candidates from independent voters who grimaced at the bickering in Washington this summer and preferred greater compromise on issues like tax increases.

"The process didn't please anyone," said Whit Ayres, a Republican pollster, "but it was very clear that the new congressmen elected in 2010 dramatically shifted the

debate from how much more shall we spend to how much shall we cut."

The NYT noted that while Lugar voted yes, the other Tea Party target – U.S. Sen. Orin Hatch – voted no.

The other Senate race element came with Democrat Joe Donnelly, who supported the deal. Donnelly said, "This legislation is far from perfect. I would have preferred that any increase in the debt limit be accompanied by common-sense solutions such as closing tax loopholes for companies that ship jobs overseas and ending tax breaks for big oil companies. Yet the possibility of defaulting on our nation's obligations, potentially causing catastrophic harm to our already fragile economy, is not an option for me."

### **Pence pushed for amendment**

Pence explained why he was with the half of the Tea Party caucus that backed the plan. "For me it's always about doing the right thing, for the right reasons and the politics will take care of itself," the Columbus Republican and gubernatorial candidate said. "My effort in the last month in which I was very engaged with leadership was built on the notion that we had to find a way to pay the nation's bills. I voted for debt ceiling increases in the past and I've voted against them. But the need to find a way to pay the nation's bills in a responsible way, I believed and believe, is an obligation of the Congress and the administration."

That meant that there could be no tax increases – even though polls showed 60 percent of Americans wanted a mix of cuts and tax hikes – along with "dollar-for-dollar" spending cuts in exchange for the debt ceiling increase. He also wanted the balanced budget amendment, but a politically viable one. "I held out until I got a firm commitment on what I regard as the most viable version to amend the Constitution, which was the Historic Amendment last considered by the Congress 15 years ago," Pence said. "And by that, if we would advance some type of amendment with spending limits, a super majority on raising taxes. I support those things. I offered a spending limit amendment in the last Congress. But I know that version of the constitutional amendment will not get two-thirds of the House, let alone the Senate."

Pence added, "I believe there is a real chance the historic version - which is simply a straightforward requirement that outlays should not exceed revenues, except in the event of a declaration of war or a national emergency of the like - would have a chance of passing the House with 219 votes. So I held out for a firm commitment, that the leadership would make that commitment." ❖





## Cities will be seeking Constitutional rights

By **BRIAN A. HOWEY**

FRENCH LICK, Ind. - A century ago - according to the 1910 Census - only 42.4 percent of Hoosiers lived in urban areas. But as the auto industry geared up and the Industrial Revolution set in, it ignited a massive migration from farms and prairies to towns and cities. By 1920, 50.6 percent of our population lived in cities.

And it has continued to trend that way ever since. On the eve of World War II, it stood at 55.1 percent urban in 1940. A decade later it was 59.9 percent urban. And in 2000, some 70.8 percent of Hoosiers lived in urban areas.

That's 70 percent of our population that is offered no specific protection by the Indiana Constitution of 1851.

The Constitution of 1851 addresses the judiciary, the legislative and executive. It includes state institutions, education, finance, corporations, militia and indebtedness. But when it comes to the powers and rights of cities and towns, there is nothing.

"Local government wasn't chartered by the state's constitution," Indiana Democratic Chairman Dan Parker told mayors at the Indiana Association of Cities & Towns conference at French Lick last week. "What I find amazing is the folks in Indianapolis pass constitutional amendments and legislation that makes you beg them. In the one session I worked in at the General Assembly, the committee with the most bills filed was the local government committee."

Democratic gubernatorial candidate John Gregg told HPI this morning that he is open to giving cities more tools. "Just as Washington shouldn't be telling Indiana what to do, Indianapolis shouldn't be telling Evansville, Fort Wayne and Sandborn what to do," Gregg said. "The legislature has made cities and counties the bad guys, when they are on the front lines."

During the 2011 Indiana General Assembly, Indiana mayors saw the "Indiana City Council" pass laws that usurped local ordinances on guns. Other legislation aimed

at such topics as where nursing homes could be built, fire district expansion and municipal apartment building inspections.

IACT, which opposed the constitutional property tax caps that are cutting into scores of municipal budgets, is now seeking constitutional protection of home rule in the Indiana Constitution. "The association supports a constitutional change to allow complete fiscal home rule for Indiana's municipalities," said Jennifer Simmons, deputy director and chief operating officer of IACT. She expects that language to be approved by the IACT membership in October.

In its 2011 platform, IACT noted, "For three decades, Indiana local governments have been under strict revenue controls. Cities and towns account for only a portion of the total property tax levy, and city and town levies have grown at a very modest rate despite increasing taxpayer demands and federal and state mandates on municipal governments to provide more and better services. Municipalities have little or no discretion in diversifying revenues to fund their budgets. Greater flexibility must be available to establish local option revenue sources. These options need to be available to all municipalities on a statewide basis. Although the property tax should remain available as a revenue source, less reliance could be placed on the property tax as a source of local revenue if other measures are available."

Terre Haute Mayor Duke Bennett, a Republican, told HPI that his city has lost \$6.9 million in revenue out of a 2008 budget of \$25 million. "These are significant cuts," Bennett said, noting that the caps have cut property taxes by \$15 million in Vigo County. "It's been tough. Salaries and benefits cost 75 to 80 percent of our budget. We've not filled positions, we've had some layoffs. We've cut all the fat. Now it's the people thing."

Talk to just about any mayor and you hear similar stories across the state. The fear is that municipalities will be forced to cut "muscle" in the coming years. Mayor Bennett notes that while 70 percent of the voters favored the tax caps, "Many of them still don't get it. People in the inner city didn't get tax cuts. The rich neighborhoods did. They have to understand there will now be cuts in services."

Marion Mayor Wayne Seybold, a Republican, wrote to legislators last March saying, "You passed property tax relief in the form of caps which changed the fundamental funding mechanism for our cities and towns. As a result, I and many of my contemporaries serving Indiana's great cities and towns had to figure out how to re-prioritize our



**Terre Haute Mayor Duke Bennett has cut nearly \$7 million out of his annual budgets. (HPI Photo by Brian A. Howey)**





needs and balance our budgets. It was the right thing to do and we took it on. We responsibly reflected the desires of our individual communities in that process. Today, as the custodians of our state budget, you must do the same thing. At IACT, we believe the best way to inspire economic development is to empower communities. Let the people who pay taxes and benefit from the services provided locally decide how best to reorganize their local governments, and when - or when not to - consolidate services."

Seybold explained, "You have the opportunity to prioritize our statewide needs without negatively impacting the economic success we have been experiencing while being responsible caretakers of our state's budget. I would urge you to run all legislation through that prism and focus the 2011 legislative session."

Parker, who served on the legislative staff of House Speaker Gregg more than a decade ago, observed, "The state now has full funding of education and various other functions. Why is it the legislature spends so much time telling you what to do? The time has come to be free to do what you were elected to do. You shouldn't have to go to Indianapolis, get down on your hands and knees and beg for whatever it is you want. The caps are in the constitution and they're never coming out. This next election should be about the direction of local government. So much of our state population lives in cities."

Indiana Republican Chairman Eric Holcomb was sympathetic, observing that 70 percent of Hoosiers now live in cities. "Obviously stronger cities are going to make a stronger state," Holcomb said. "We've got a lot of strong leaders on both sides of the aisle in our mayors. This next election we are going to be searching for issues. This is certainly one of them. I look forward to working with you to help cities be as strong as they can be, collectively. It should propel the state and not become an anchor."

U.S. Rep. Mike Pence told HPI on Wednesday that he was prepared to study issues involving cities, but didn't want to take a specific position at this time on home rule. Gregg said he would be interested in gathering mayors, commissioners, clerk-treasurers and council members together and ask, "How can we make you better at what you do?" He emphatically added that it's time for the legislature to stop demonizing municipal government and give them

more tools.

The trend in Indiana reflects that of the nation, though not as pronounced as the depopulation of rural areas occurring in the Great Plains, Appalachia and parts of Arkansas, Mississippi and North Texas. Rural America now accounts for just 16 percent of the nation's population, the lowest ever, the Associated Press reported. The latest 2010 census numbers hint at an emerging America where, by midcentury, city boundaries become indistinct and rural areas grow ever less relevant. Many communities could shrink to virtual ghost towns as they shutter businesses and close schools, demographers say. More metro areas

are booming into sprawling megalopolises.

The Purdue Center for Regional Development explained that inside Indiana, the percentage of urban residents varies widely across the 92 counties. For half of all Indiana counties, the percentage of urban residents was less than 45 in 2000. In nine counties, the percentage exceeded the national percentage. These counties

included Allen, Floyd, Hamilton, Johnson, Lake, Marion, St. Joseph, Tippecanoe, and Vanderburgh. At the other extreme, nine counties had no urban population in 2000. These included Benton, Brown, Crawford, Ohio, Owen, Spencer, Switzerland, Union, and Warren.

Compared to 1990, all but 17 counties had increased their share of urban residents. The increase was most pronounced in some suburban counties, such as Floyd, Hendricks, Hancock, Hamilton, and Johnson. Floyd, Hamilton, and Johnson counties also stand out because they did not exceed the national percentage in 1990, but did so in 2000. A pronounced increase of the urban population also occurred in counties along the major interstates, such as Bartholomew and Jennings along I-65 in Southern Indiana; Jasper, Porter, and White along I-65 in Northern Indiana; and Henry and Wayne along I-70.

With an unmistakable trend toward Hoosiers moving into urban areas, and cities struggling to provide services under the new caps after cleaving away most of the fat they had, the question is whether Hoosiers will want to give their mayors and council members more tools to cope with the tough issues of the day. ❖



**Indiana Republican Chairman Eric Holcomb and Democratic Chairman Dan Parker at the IACT conference in French Lick last week. (HPI Photo by Brian A. Howey)**



## Chocola unlikely to challenge Lugar

By **BRIAN A. HOWEY**

FRENCH LICK, Ind. - Chris Chocola is more likely to turn up in Hollywood than on the Indiana campaign trail any time soon.

Indiana Legislative Insight speculated last week that Chocola, the former Indiana congressman who heads the Club for Growth, might be interested in challenging U.S. Sen. Dick Lugar. The story goes that Indiana Treasurer Richard Mourdock's campaign has gotten off to such a poor start that Chocola might follow the footsteps of U.S. Sen. Pat Toomey and take on Lugar himself.



But Club for Growth spokesman Barney Keller, while not outright denying the move, told HPI of Chocola, "He is slightly more likely to be

nominated for an Oscar."

But Chocola appears to be unimpressed by the Mourdock campaign, telling Legislative Insight, "We continue to talk to him and watch his candidacy and his campaign. There have to be things in place and they're not. One - his fundraising - needs to improve; he hasn't shown he's been able to effectively fundraise yet."

There is also speculation about a falling out between then U.S. Rep. Chocola and Lugar going back to the 2006 campaign when the 2nd CD Republican lost to Democrat Joe Donnelly. Lugar faced only a Libertarian candidate that year after Indiana Democrats decided not to contest the seat.

Sources tell HPI that Chocola asked Lugar to help his campaign and was turned down. Lugar sources tell HPI that the senator had held fundraising efforts for Chocola earlier in his career.

With a lack of independent news media polling in the Indiana U.S. Senate showdown between Lugar and Mourdock, the horse race aspect has come down to dueling polls between the two campaigns and allies. The latest came Saturday when Friends of Dick Lugar released an American Viewpoint Poll showing the incumbent with a 45-31% lead over Mourdock with 23 percent undecided. Interviews were conducted July 27-28. Six hundred interviews were conducted statewide with likely 2012 GOP primary voters. The margin of error is +/- 4.0%.

The Viewpoint Poll showed Lugar's favorables at 55% and his unfavs at 32%. Lugar's job performance stood at 53%, with 34% disapproving. The Viewpoint survey contrasts with a Basswood Research survey conducted for the Club for Growth that had Mourdock leading Lugar 34-32% with 34% undecided. Howey Politics Indiana asked David Willkie of the Lugar campaign for the question sequence.

"The only questions before the head-to-heads and favorable / unfavorable were establishing voter likelihood and awareness," Willkie said. "The poll was done by American Viewpoint, which as you know is a very reputable firm in the industry."

HPI had asked Club for Growth spokesman Keller for a similar question sequence and was turned down. The Basswood survey asked, "Would you say the following statement is true or untrue? Richard Lugar has done some good things for Indiana, but after thirty-five years in Washington, it's time for a change." Keller said that 69% said the statement was true, 19% said it was untrue and 12% were unsure. "The horserace is a straight ballot test, not an informed ballot, if that helps," Keller said. In 2008, which featured the Obama/Clinton Democratic presidential primary showdown, more than 30 polls were conducted in Indiana. Since then, as the news media has faced sharp budget declines, there has been only a handful of independent surveys, and none have been conducted in this U.S. Senate race.

Indiana Democrats pounced on the Lugar poll. "Ac-



ording to his own poll, Richard Lugar is only supported by 45% of Indiana Republicans," an Indiana Democratic press release noted. "Another 23% are undecided. After 35 years in Washington, Senator Lugar has universal name identification. His inability to show over 50% support in his own poll highlights what we already knew: his support in Indiana is extraordinarily weak. Senator Lugar polls substantially weaker than establishment Republicans that went on to lose 2010 primaries in Nevada and Florida did at comparable points in the cycle. In early August 2009, Charlie Crist's support was at 55 in a public poll of the Republican





primary. Sue Lowden and Jerry Tarkanian held a combined 47 percent of Nevada primary voters. In Colorado, the first public polls were available in September, and establishment pick Jane Norton held a 45-15 lead over eventual winner Ken Buck. [Pollster.com; Colorado; Florida; Nevada]

Asked about the "civil war" facing Indiana Republicans, Chairman Eric Holcomb said at the IACT Conference on July 28, "The state party has always been Switzerland. It has always been counsel and we'll continue to be. Having said that I have asked all candidates in primaries to honor President Reagan's 11th commandment not to speak ill of another Republican. So that is my hope. We'll see. Candidate Mitch Daniels, who had a primary opponent, ran a TV commercial in which he said what he would and would not do. He would not disparage his Republican opponent. He lived up to that. At that time it was Eric Miller. I hope that each candidate will take that same approach. It's refreshing to voters."

Indiana Democratic Chairman Dan Parker believes the Lugar campaign is making tactical mistakes. "Earlier this year, Senator Lugar had a higher reelection score with Democrats than Republicans," Parker said of Democratic polling. "The question for my pollster is what should Lugar do? And my pollster said, 'I wouldn't change a thing. I would want moderate and conservative Democrats to vote in the Republican primary.'"

Parker continued, "He didn't choose that course. He's choosing to really destroy a 35-year-old brand of moderation and working across the aisle to try and pacify a part of the party where I don't think he can. I think he does have problems. That doesn't mean I don't think he'll be renominated. There is a pathway for him. But I think it presents an opening for Joe Donnelly in the fall to be very competitive with whoever the Republican Party nominates. He is right in the middle of the electorate. He is a moderate to conservative Democrat."

Mourdock picked up an endorsement from Citizens United, a conservative PAC. "Dick Lugar could have shown some spine in the recent debt vote and followed the junior Senator from Indiana, Dan Coats, in voting "no" on a piece of legislation that does not solve our nation's debt crisis," Citizens United said. "Richard Mourdock is the only true conservative in the race for U.S. Senate, and we will stand up against the failed policies of Barack Obama. At the end of the day, Dick Lugar just wants to be Barack Obama's friend."

## **Governor: Gregg turns into a candidate**

Democrat John Gregg officially moved from an exploratory mode to an official campaign on Tuesday. He is the only Democrat in the field. A formal campaign launch will be announced soon. "For the last several months I've listened to Hoosiers throughout the state," Gregg said. "I've traveled to neighborhoods and communities from Evansville

to Elkhart, and I've earned the endorsements of 52 mayors from across Indiana. Hoosiers are saying they want leadership that focuses on putting people back to work, not the same old political games from career politicians. I want Hoosiers to know that I hear them, and I am committed to building an even better Indiana. Now let's get to work."

Ten mayors from Central Indiana announced their endorsement of Gregg for governor (Howey Politics Indiana). Gregg, a former Speaker of the Indiana House and president of Vincennes University, had formed an exploratory committee in preparation for a run for governor in 2012. The endorsements were announced on the heels of the news that 27 Southern Indiana mayors and 15 Northern Indiana mayors also endorsed Gregg. Saying that the endorsements demonstrate his widespread support throughout Indiana, Gregg added: "I am honored to receive these endorsements. Indiana needs a governor who will work with mayors to give our cities and towns the tools they need to build better communities. Indiana also needs a governor who knows how to work with mayors from all parts of the state, whether they are conservative, liberal or somewhere in the middle. As someone who has presided over a statehouse that was divided 50-50, I've got some experience in that area. Mayors understand the problems facing Indiana because they stand on the front lines. They know as well as anyone that many of the problems that face our communities aren't Democratic problems or Republican problems; neither are the solutions."

The endorsements came from across Central Indiana and included large cities and small towns, demonstrating Gregg's appeal to a broad range of voters. Mayors include Kris Ockoman, Anderson; Fred Armstrong, Columbus; Charlie Coons, Crawfordsville; Randy Strasser, Delphi; Susan Murray, Greencastle; Greg Goodnight, Kokomo; Tony Roswarski, Lafayette; Michael Fincher, Logansport; Sally Hutton, Richmond; and Mervyn Bostic, Rushville.

Republican Mike Pence says he would like to cut Indiana income tax rates across the board if elected governor next year. The congressman told The Associated Press on Wednesday that he wants the state's individual and corporate tax rates reduced to 3%. The state's individual tax rate is now 3.4% and the corporate rate is 8.5%. He also said he would like to repeal Indiana's estate tax.

Pence said the state's budget surplus should pay for most of those tax cuts initially. He said after that economic growth would replenish the state's coffers.

## **Presidential: Hubbard leaves Pawlenty**

Al Hubbard has left Tim Pawlenty's presidential campaign as an economic adviser, MSNBC is reporting this morning. Pawlenty's campaign confirmed the departure. "Mr. Hubbard is a financial contributor, became busy with work and is not operating in the policy role, but we're grateful he gave us the maximum contribution," Pawlenty



campaign spokesman Alex Conant said in a statement. The departure is the latest hurdle for the Pawlenty campaign, which continues to face problems in the polls. Mr. Pawlenty, who has spent the past several months campaigning in Iowa, remains far behind Minnesota Rep. Michele Bachmann and former Massachusetts governor Mitt Romney.

Herman Cain, a candidate for the 2012 Republican nomination for president, is the first to accept the Indiana Republican Party's invitation to visit Indiana to address the nation's deficit and debt crisis. Cain's visit to Indianapolis will be Aug. 15 and include evening remarks at the Indiana Republican Party headquarters in downtown Indianapolis. The event will be open to the press.

### **Anderson mayoral: Okomon denies affair**

Mayor Kris Ockomon on Friday denied having any extramarital affairs or trying to pursue a relationship with a city employee, despite her claims in a federal lawsuit (Hayes, Anderson Herald-Bulletin). Teresa Spencer, city parks department business manager, filed a federal lawsuit on Wednesday against Ockomon, the city and two other department administrators, claiming the city violated her civil rights through sex discrimination and retaliation. In the lawsuit, Spencer gave detailed examples of times that Ockomon allegedly acted inappropriately and harassed her. Spencer served as Ockomon's administrative assistant for 18 months before transferring to the parks department in June 2009. She provided names and instances when Ockomon allegedly persuaded other city employees to harass her and try to get her fired. In her lawsuit, she mentioned an alleged conversation where Ockomon's brother, Skip Ockomon, supposedly told her husband, Greg Spencer, that the mayor had had several extramarital affairs and that the problem did not come as a surprise to the brother. On Thursday, the city issued a news release saying it regards the lawsuit as another false claim in a string of political attacks. On Friday, Ockomon followed up with a three-minute press conference at City Hall. "I want to reiterate that I never had nor have I ever attempted to have an inappropriate relationship with the individual who filed this complaint," he said, in front of a group of about 60 people who applauded and cheered at the conclusion of his speech. "Furthermore, I've never had an extramarital affair. Period. Period." **Horse Race Status:** Tossup

### **Evansville mayoral: Winnecke crime plan**

Republican Evansville mayoral nominee Lloyd Winnecke released his crime and public safety plan on Tuesday. In it, the police and fire chiefs will report directly to the mayor's office. "This direct line of communication will include frequent briefings from both chiefs relating to issues involving community safety," Winnecke said. "Our administration will make a commitment to the police and

fire departments that they will have the most up-to-date equipment and technology to perform their jobs to the best of their ability. Under Mayor Russ Lloyd Jr., many police officers were allowed to take patrol cars home. This program was a success both in allowing for faster response times and as a recruitment tool, and our administration will continue to support it in the future." Winnecke also promised to upgrade reserve fire equipment, modernize fire stations, and combat meth labs. "The spike in reported labs, and subsequent fires and property damage due to exploding labs, has plagued the police and fire departments. Our community has experienced 16 meth lab related fires, seven civilian injuries, one injury to a firefighter, and one related fatality this year alone. Our administration will work closely with the police, prosecutor, and judicial system to combat meth in Evansville. We will also ensure that police officers and firefighters are provided the best tools for combating meth labs, including proper training for the recognition and disposal of labs." **Horse Race Status:** Tossup

### **Indianapolis mayoral: Kennedy crime plan**

Indianapolis Democratic mayoral nominee Melina Kennedy unveiled an eight-point crime plan with Marion County Prosecutor Terry Curry, calling for an additional 100 police officers (Howey Politics Indiana). "Today, Marion County Prosecutor Terry Curry and Marion County Sheriff John Layton joined me as I announced my plan to enhance the quality of life throughout our city through crime fighting and crime prevention," Kennedy said. "Four years ago, candidate Greg Ballard said public safety was job Number 1, but the fact is, crime is up, including aggravated assaults. Crime prevention has been cut, there are fewer officers patrolling our streets, and residents across our city feel less safe than they did four years ago. And Mayor Ballard's recent decision to restructure police patrols from beat coverage to zone coverage signals the death knell for community policing. This morning, I reemphasized my commitment to initiatives aimed at promoting strong, smart, credible and accountable public safety. We need to add 100 officers to the streets. We need to get illegal guns, gangs and drugs, which are assaulting our city, off our streets and out of our neighborhoods. And through partnerships with the prosecutor, the sheriff, federal agencies and community groups, we need to restore crime prevention initiatives cut by the current administration so we can stop crime before it starts. We must do all these things to provide true community policing."

The Indianapolis jobless rate rose to 8 percent from 7.8 percent (WIBC). **Horse Race Status:** Tossup ❖



## Gauging whether the recession is over

By **MORTON J. MARCUS**

INDIANAPOLIS - The recession is over. The recession is not over. The recession is so close to being over that it might as well be over.

Just a few weeks ago, we were able to say the recession is over. Then the data were revised so that the latest information indicates the recession is very nearly over. Yes, Gross Domestic Product (GDP), that fickle measure of the value of goods and services produced in our country, is currently estimated to be just 0.4 percent below the pre-recession high in the fourth quarter of 2007. Indeed, just give us another \$56 billion in output and we'll be over the hump.

Yet, as we know too well, the nation's employment is lagging. In June this year, there were 6.6 million fewer jobs than four years earlier. Indiana has 195,000 fewer jobs, a deficit of 7.5 percent compared with the national shortcoming of 5.6 percent.

What happens when the demand for labor decreases?

You're correct. The wages of workers fall. However, how far they have fallen depends on where you live. In June 2007, the average hourly wage in the United States was \$20.82. To buy the same basket of goods in June 2011, you would need 8.3 percent more, another \$1.73 per hour or \$22.55, just to keep pace with inflation. Fortunately, the average hourly rate this past June was \$22.80, or 25 cents above the inflation-adjusted wage.



Clearly, the American worker is prospering, now able to buy 25 cents more in goods and services than four

years ago for each hour worked. Work a full 8-hour day, and you get \$2 more in goodies when the whistle blows. It might not buy a beer in a bar, but you might get a 12 oz. bottle to take home. And you should be at home, not in a bar drinking.

**How about the Hoosier worker?** S/he is now earning \$20.30 per hour, or \$1.05 less than the inflation-adjusted hourly wage for Indiana. Our current level of pay is 4.9 percent below what we would have enjoyed if we kept pace with inflation. We find ourselves with the eighth worst pay shortage among workers in the 50 states.

These data do not matter to the true Hoosier. Remember, the state motto, "Ask not what goes on here,

but ask what is happening in Kentucky, Illinois, Ohio, or Michigan." As long as our performance is better than one of those four states, we are doing just fine.

Luckily, Illinois workers are behind us; they rank third in the nation in falling short of meeting the inflation-adjusted wage for June 2011. Michigan and Ohio are both doing better than Indiana. Kentucky, that spoil-sport, is among the top 10 states with wages in excess of the inflation-adjusted wage.

**There you have it.** For all practical purposes we are out of the recession in terms of output. However, we are producing about the same output as at our peak in 2007 with far fewer workers. In 31 of the 50 states, average hourly wages remain below the inflation-adjusted hourly wage. Workers in those states, as in Indiana, are not yet able to buy with an hour's wage what they could buy four years ago. ❖

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

---

## Danger of slip into stupor

WASHINGTON - Shoppers won't shop. Companies won't hire. The government won't spend on economic stimulus — it's cutting instead. And the Federal Reserve is reluctant to do anything more (Associated Press).

Without much to invigorate growth, the economy may be in danger of slipping into a stupor like the one Japan has failed to shake off for more than a decade. And Wall Street is spooked. The Dow Jones industrial average Wednesday barely broke an eight-day losing streak, finishing up about 30 points. A nine-day losing streak would have been the Dow's first since February 1978.

Even with the gain, the Dow has fallen 828 points, or 6.5 percent, over the past nine trading days. Investors didn't even pause to celebrate the resolution over the weekend of a dangerous debt standoff in Washington. Stunned by news last week that the economy barely grew in the first half of 2011, economists are lowering their forecasts for the full year and recalculating the odds that the economy will slide back into recession. Kurt Karl, chief U.S. economist at Swiss Re, has cut his 2011 forecast for growth this year to 1.8 percent from 2.6 percent. And he has bumped up the likelihood of another recession to 20 percent from 15 percent. "The last week has made it much more likely that corporate profit estimates will be revised lower," said Nick Kalivas, a vice president of financial research at MF Global.





## The pathetic plight of Speaker Boehner

By JACK COLWELL

WASHINGTON - "Vote with me, and the earmark is yours."



House Speaker John Boehner never uttered such a promise amid congressional chaos here in the past week, even as he looked helpless in his quest to obtain needed support in his own party. Earmarks are gone.

The pathetic plight of the speaker occasioned a somewhat nostalgic look by some House members at the way Republican leaders had control, complete control, in the days of Speakers Newt Gingrich and Dennis Hastert.

Tom DeLay, known as "The Hammer," enforced that control, as majority whip and then majority leader. Threats of retribution and promises of campaign assistance and, yes, the now infamous and repudiated earmarks, were a part of the process.

Boehner had no such tools.

Good. Neither his style nor the times would permit use of such techniques, particularly the reward of an earmark for a project in the district of a House member agreeing reluctantly to go along.

Still, some members of Congress joked – not entirely joking – that Boehner and the rest of the House Republican leadership and the nation would have been better off if the House majority could have been whipped into line. Before the debt ceiling crisis had begun to harm the nation's economy and standing in the world. Before the prospect of actually going over the abyss of insolvency loomed.

In the old days, actually not that far back, a majority member threatening to vote against wishes of the speaker might be persuaded to go along with the promise of an earmark for a runway improvement at a district airport.

**Runway improvement probably** was needed.

So earmarks weren't always terrible. Some were. There was the Bridge to Nowhere.

Other ways were sought to persuade reluctant members.

A plea for party solidarity didn't work.

Boehner, with his reputation and his speakership on the line, pleaded with his House Republicans, after he had been forced to call off a vote on his plan: "I didn't put my

neck on the line and go toe to toe with Obama to not have an army behind me."

But not enough troops were ready to march behind him the following night, when he again had to call off a vote.

**Democrats, who didn't** look back on the days of DeLay with any fondness, still expressed sympathy for Boehner and his lack of tools to get a vote.

Party loyalty couldn't do it. Tea Party members who were among those holding out against Boehner's plan didn't necessarily have loyalty to the Republican Party. They were elected in many cases without any early support from any regular Republican organization. They often had been opposed by the organization in the primary. Their key funding and campaign support may well have come from conservative organizations, not the party.

And warning that failure to raise the debt ceiling could hurt Republicans election chances didn't work with the holdouts. Among the warnings was one in an oft-cited Wall Street Journal editorial: "If conservatives defeat the Boehner plan, they'll not only undermine their House majority. They'll go far to re-electing Mr. Obama and making the entitlement state that much harder to reform."

Hard-line holdout disagreed. Their resolve was fortified by demands from some of the conservative groups that helped to elect them that they must not compromise. To do so, they believed, would be to betray their pledges to oppose any additional tax revenue and to starve big government.

Some would call that stupid. Others would see it as a profile in courage. Whatever it's called, it was an important factor.

**Warning about consequences** of default didn't work on the most entrenched opponents of a compromise deal for raising the debt ceiling.

They didn't believe default would be as bad as portrayed. And even if it was, they figured, it would lead to even more of a fiscal crunch that would finally force vast cuts in government programs, including what they see as failed socialist schemes of Social Security, Medicare and Medicaid.

So even if Tom DeLay was back with his hammer, or if Speaker Boehner could have promised "the earmark is yours," the situation likely would not have changed. ❖

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



**Doug Ross, NWI Times:** It's too early to tell whether the Republicans or Democrats won the debt-limit showdown, at least from the voters' standpoint, but the tense partisan battle could affect U.S. Sen. Dick Lugar's re-election chances. Will Lugar survive the primary election in May, when he faces his biggest challenge in years? Lugar has been a moderate and a pragmatist, something the most vocal Indiana Republicans seem to despise nowadays as the Tea Party attempts to turn the party and the nation on a sharp turn to the right. Yet Lugar remains a force to be reckoned with. He is a powerful fundraiser and has strong influence on the state party. It's particularly telling that Lugar steadfastly has refused to pledge not to raise taxes. Other Republicans in Indiana's congressional delegation have signed the pledge promoted heavily by anti-tax crusader Grover Norquist and his Americans for Tax Reform. Lugar doesn't want to be trapped by that pledge. He might be anyway. Remember when the first President George Bush made the famous pledge, "Read my lips, no new taxes," and then ate his words? Elephants are known for their memory, so most Republicans are reluctant to go back on their promise to stick to their anti-tax dogma no matter what. The debt-limit deal reached last weekend doesn't appease the Tea Party faction, apparently, which doesn't bode well for Lugar. ❖



**Roger Simon, Politico:** A six-shooter lies gleaming on the table. There are five bullets in its chambers. You spin the cylinder and hold the gun to America's head. "Stop, don't pull the trigger!" says Barack Obama. "We can't risk America's future." "Aww, go ahead and shoot," say the Republicans. "Maybe it will reduce the size of government ... permanently." And that was the debt ceiling debate. President Obama was not willing to risk a default that might ruin the American economy and topple the world's financial system. The Republicans, or more specifically the tea party Republicans in the House, simply did not care. Some said that they wanted default. It would be healthy. America could sell off its national parks and the gold reserves in Fort Knox. I kid you not. You didn't know whether to laugh or cry. Or we could simply not pay the military. Now there was an idea! There are 1,137,568 members of the military currently stationed in the United States. They have rifles, tanks, artillery, jets and missiles. And we're not going to pay them? I don't think so. In the end, the Republicans got what they wanted. America will get massive spending cuts borne by the poor, the sick, the elderly and the middle class. But there will be not a penny in tax increases on billionaires or the closing of tax loopholes that help multimillionaires become billionaires. And jobs? There is not a penny for jobs. Were you so angry at the lack of jobs in America that you voted for tea party Repub-

licans in 2010? Congratulations. You just got your reward: the back of their hand. Think I exaggerate? Take a look at who was happy on Tuesday and who was angry. "When you look at this final agreement that we came to with the White House, I got 98 percent of what I wanted; I'm pretty happy," Republican House Speaker John Boehner told CBS News. "They have acted like terrorists," Vice President Joe Biden said of the tea party Republicans. The opinion pages of The New York Times have done everything except take out a contract on Obama. Columnist Ross Douthat says that "we're living through yet another failed presidency." ❖

**Charles Krauthammer, Washington Post:** We're in the midst of a great four-year national debate on the size and reach of government, the future of the welfare state, indeed, the nature of the social contract between citizen and state. The distinctive visions of the two parties — social-democratic vs. limited-government — have underlain every debate on every issue since Barack Obama's inauguration: the stimulus, the auto bailouts, health-care reform, financial regulation, deficit spending. Everything. The debt ceiling is but the latest focus of this fundamental divide. The sausage-making may be unsightly, but the problem is not that Washington is broken, that ridiculous ubiquitous cliché. The problem is that these two visions are in competition, and the definitive popular verdict has not yet been rendered. We're only at the midpoint. Obama won a great victory in 2008 that he took as a mandate to transform America toward European-style social democracy. The subsequent counterrevolution delivered to that project a staggering rebuke in November 2010. Under our incremental system, however, a rebuke delivered is not a mandate conferred. That awaits definitive resolution, the rubber match of November 2012. I have every sympathy with the conservative counterrevolutionaries. Their containment of the Obama experiment has been remarkable. But reversal — rollback, in Cold War parlance — is simply not achievable until conservatives receive a mandate to govern from the White House. Lincoln is reputed to have said: I hope to have God on my side, but I must have Kentucky. I don't know whether conservatives have God on their side (I keep getting sent to His voice mail), but I do know that they don't have Kentucky — they don't have the Senate, they don't have the White House. And under our constitutional system, you cannot govern from one house alone. Today's resurgent conservatism, with its fidelity to constitutionalism, should be particularly attuned to this constraint, imposed as it is by a system of deliberately separated — and mutually limiting — powers. Given this reality, trying to force the issue — turn a blocking minority into a governing authority — is not just counter-constitutional in spirit but self-destructive in practice. ❖



## State revenues up \$23million

INDIANAPOLIS - State revenues were up \$23.4 million over expectations in July, continuing the flow of recent good fiscal news for Indiana. The report showed sales and individual income taxes slightly above expectations, with corporate taxes a whopping \$14.4 million — or 72.5 percent — over the forecast made in April. However, gambling taxes were down considerably. Riverboat wagering brought in \$1.4 million, rather than the \$4.7 million expected. State Budget Director Adam Horst noted that the general fund revenue collections “were consistent with trends seen in recent months.” And, he noted, they are especially good when compared to a year ago. This first month of the new fiscal year shows the state taking in 11.1 percent more than July 2010.



## Obama returns to Chicago for 50th

CHICAGO - After a month when he was battered by both sides of the political aisle in partisan Washington, President Obama returned to his home town a day before his 50th birthday, the first step in reenergizing his embattled base (Washington Post). Greeting 2,400 cheering supporters who paid as much as \$35,800 to get inside the campaign fundraising party, Obama took the stage at the Aragon Entertainment Center after an introduction from his former chief of staff, Chicago Mayor Rahm Emanuel (D), and a birthday song from performers Jennifer Hudson, Herbie Hancock and OK Go. “It’s good to be among

friends,” Obama told the crowd, standing shoulder-to-shoulder in the humid ballroom. “I could not have asked for a better early birthday present than being here with all of you. I love you back.” Alluding to his 2008 campaign, he added: “When I said ‘change you can believe in,’ I didn’t say ‘change you can believe in tomorrow, change you can believe in next week.’ It is going to take time.”

## Schaefer out at Chamber

EVANSVILLE - A “restructuring” at the Chamber of Commerce of Southwest Indiana has created three job openings, including the Chamber’s lobbyist position in Indianapolis. Steve Schaefer, the Chamber’s former vice president of public policy, declined to speak at length about the end of his 8-year tenure with the Chamber, but said there had been a “restructuring.” “I’d just like to say that I’m seeking some new opportunities and trying to keep making an impact in the community,” he said by phone Wednesday. “I’ve been looking at some new opportunities, and now I’ll look to pursue one of those.” Schaefer said he didn’t yet know his status as executive director of Hoosier Voices for I-69.

## Gay households grow 61 percent

FORT WAYNE - Indiana same-sex partner households grew 61 percent last decade to 16,428, according to 2010 census figures released today (Fort Wayne Journal Gazette). The same is true across the country, as the data are rolled out state by state this summer: a 36 percent increase in California, 39 percent in Alabama, 42 percent in Wyoming, 51 percent in Ohio, 55 percent in Kansas, 60 percent in Colorado, 68 percent in North Caro-

lina, according to published reports. Numbers for northeast Indiana show a similar trend. In Fort Wayne, same-sex households grew 66 percent, from 408 to 679 last decade.

## Skillman to lead delegation to Japan

INDIANAPOLIS - Lt. Gov. Becky Skillman will lead an Indiana trade delegation to Japan next month. The Republican lieutenant governor will be joined by Hoosier business and community leaders at stops in Tokyo, Ohta City, Nagoya and Tochigi Prefecture during the Sept. 19 to 26 trip. Participants are slated to meet leaders of Japanese companies with Indiana operations, host a reception for potential investors and assist with earthquake relief. Skillman also will address the Midwest U.S.-Japan Association meeting in Tokyo. “Our friends in Japan have been extraordinary business partners,” Skillman said. “We know there are more opportunities for job growth and investment to those U.S. states willing to put in the effort to build and maintain relationships.”

## State pension funds recoup losses

INDIANAPOLIS - The pension fund for Indiana government employees has recouped nearly all of its losses from the 2008-09 stock market dip. As of April, the assets of the Indiana Public Retirement System totaled \$25.55 billion, Executive Director Steve Russo said. That’s up 52 percent from March 2009, when the public retirement system’s investments were worth \$16.86 billion, but still 6 percent less than the November 2007 peak of \$27.02 billion. “We’ve still got some work to do to dig ourselves out, but we’re moving in the right direction,” Russo said.