



# Obama seeks health consensus

*Hoosier Republicans skeptical that anything changed after speech*

By **BRIAN A. HOWEY**

INDIANAPOLIS - President Obama invoked the legacy of the late U.S. Sen. Ted Kennedy during a joint session of Congress Wednesday night, telling a silenced chamber at the end of his speech that now is the time for health care reform, "I understand that the politically safe move would be to kick the can further down the road -- to defer reform one more year, or one more election, or one more term.

"But that is not what the moment calls for. That's not what we came here to do. We did not come to fear the future. We came here to shape it."

Obama vowed to reach out to Republicans, some who were waving bills in the air they say the Obama administration had ignored. He noted the letter from Sen. Kennedy written in May and sent to the president after the senator's August death, and the late senator's nonpartisan



President Obama addresses a joint session of Congress on Wednesday, attempting to restart the health reform debate after a month of sometimes volatile town halls across the nation.

work with Republican Sens. Orrin Hatch on children's health insurance, John McCain on the Patients Bill of Rights and Chuck Grassley on coverage for children with disabilities.

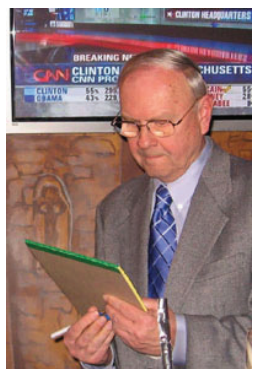
U.S. Rep. Joe Wilson, R-S.C., called out to the president "You lie!" when he said his plan would not cover

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# 1 speech, 2 audiences

By **JACK COLWELL**

SOUTH BEND - President Obama sought to persuade two different audiences, actually just parts of each, in his speech on health care Wednesday night. If he was successful - not just with one audience, but in winning majority support in each - there will be health care legislation.



One audience was composed of members of Congress listening in person. He knew he could not persuade those Republicans who have as a matter of political strategy determined that they will not



"After a month of listening to constituents from across northeast Indiana express their views and opinions, I had hoped we would discover that President Obama had been listening as well."

- U.S. REP. MARK SOUDER



## HOWEY POLITICS INDIANA

is a nonpartisan news-letter based in Indianapolis and published by NewsLink Inc. It was founded in 1994 in Fort Wayne.

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### Subscriptions:

\$350 annually HPI via e-mail;  
\$550 annually HPI & HPI Daily  
Wire.

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President Obama addresses a joint session of Congress Wednesday night.

support any bill. They are the ones who say, as the official Republican spokesman did, that it is "time to start over." The real meaning is that the Obama administration is "no time to do anything."

So, Obama, knowing his dream of any widespread bipartisanship is long gone, was trying to persuade Democrats, from the Blue Dogs such as the moderate congressmen from Indiana to the progressives at the other end of the party spectrum, to compromise where needed in order to pass a bill. He hoped also to sway just a few Republicans, at least enough in the Senate to close a filibuster.

The other audience was composed of those watching his plea on television or seeing accounts of it on broadcast news or in newspapers. His approval ratings and support for his health care effort declined amid all the accusations at town hall meetings and on talk radio and cable TV.

**While the members** of the second audience have no vote in Congress, they can vote for or against their representatives in Congress. If Obama persuaded a significant majority in the audience outside the chamber, polls showing that and their correspondence with Congress could sway the wavering Democrats and a few Republicans to

pass the bill.

Again, Obama knew he could not persuade TV viewers of the type who railed at town hall meetings.

So, he sought to calm the fears of those with sincere concerns raised by what he called scare tactics and lies.

**The most important** part of his plea was for action now.

"Well, the time for bickering is over. The time for games has passed," he said. Now is the season for action."

It's now or never for health care legislation. If not now, it never again will have a chance during Obama's present term.

"Everyone in this room knows what will happen if we do nothing," the president said. He was speaking of what would happen with health care. Many of those in the room were thinking more about political health, their own.

That's why signs of support or lack thereof from the audience outside the chamber is also so important.



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





## Obama speech, from page 1

illegal aliens. The president looked up and glared momentarily and then said, "That's not true."

But President Obama acknowledged a common complaint of Republicans that was often voiced at the Indiana town halls: Reforming medical malpractice laws that could help lower health care costs. The president said he had ordered Health and Human Services Secretary Kathy Sebelius to launch a pilot project begun by the Bush administration on tort reform.

Obama offered a limited "public option" that he said the Congressional Budget Office is projecting would insure only about 5 percent of the population.

The president also said he would not sign a bill that would add "one dime" to the federal deficit. He also said that by doing nothing, it would increase the federal budget deficit.

"I still believe we can act even when it's hard," Obama said in a rhetorical flourish that seemed to echo from the 2008 campaign trail that brought him to office.

U.S. Rep. Mike Pence, who heads the Republican House Conference, reacted by saying, "Unfortunately, President Obama delivered another good speech about the same bad plan. The President missed a historic opportunity to demonstrate that Washington, D.C. can listen to the American people and work together to confront the challenges facing our families and businesses."

Noting that Social Security in the 1930s did not bring the country to "socialism" and that Medicare of the 1960s provided stability to aging Americans, Obama said, "You see, our predecessors understood that government could not, and should not, solve every problem. They understood that there are instances when the gains in security from government action are not worth the added constraints on our freedom. But they also understood that the danger of too much government is matched by the perils of too little; that without the leavening hand of wise policy, markets can crash, monopolies can stifle competition, and the vulnerable can be exploited."

In a plan that appeared to mirror one by Sen. Max

Baucus, Obama continued, "And they knew that when any government measure, no matter how carefully crafted or beneficial, is subject to scorn; when any efforts to help people in need are attacked as un-American; when facts and reason are thrown overboard and only timidity passes for wisdom, and we can no longer even engage in a civil conversation with each other over the things that truly matter – that at that point we don't merely lose our capacity to solve big challenges. We lose something essential about ourselves."

After a month of civil and constructive Indiana town halls conducted by seven of the 11 Indiana mem-

bers of Congress (drawing an estimated 10,000 Hoosiers), and town halls across the nation that drew great wrath and controversy, Obama noted, "I still believe we can replace acrimony with civility, and gridlock with progress. I still believe we can do great things, and that here and now we will meet history's test. Because that is who we are. That is our calling. That is our character."

Obama tried to convince most Americans that if they like their current coverage, they can keep it. "Let me repeat this: Nothing in our plan requires you to change what you have. That's what Americans who have health

insurance can expect from this plan – more security and stability."

He vowed to end insurance companies denying coverage for people with pre-existing conditions or cutting people off during mid-treatment.

As for the uninsured, Obama said talked of beginning a not-for-profit insurance exchange, likening it to public universities who compete with private colleges. "If you lose your job or change your job, you will be able to get coverage," the president said. "If you strike out on your own and start a small business, you will be able to get coverage. We will do this by creating a new insurance exchange – a marketplace where individuals and small businesses will be able to shop for health insurance at competitive prices. Insurance companies will have an incentive to participate in this exchange because it lets them compete for millions of new customers."

And Obama vowed to "call out" people on distortions and lies that have clouded the national debate.

U.S. Rep. Brad Ellsworth, D-Evansville, issued a



U.S. Rep. Mike Pence reacts to President Obama's speech on CNBC last night. "Good speech, bad plan" Pence said.



statement after the speech saying, "The President provided an accurate diagnosis of the weaknesses in the current health care system. While there are many parts of our system that are the envy of the world, the parts that aren't working threaten to bankrupt families, businesses and government alike. We literally cannot afford to leave this challenge unaddressed. To do so would be to endorse a status quo that denies medical coverage based on pre-existing conditions, leaves millions of uninsured Americans at risk, and does nothing while the cost of health care spirals out of control for those who do have insurance."

Ellsworth added, "Millions of Americans are happy with their current coverage, so our efforts must be targeted toward protecting what works and fixing what doesn't. For instance, I was glad to hear the President acknowledge that reforming the rules governing medical malpractice suits may be one piece to solving this puzzle. That's something I hear over and over again from 8th District constituents, and I hope it's something we can work together to address in this legislation."

"I'm pleased the President made clear that health care reform must be about providing options for all of us, not just the uninsured," Ellsworth said. "During my relatively short time in office, I have heard far too many stories from Hoosiers who have faithfully paid their premiums and were denied coverage based on the fine print or pre-existing conditions right when they needed it the most. This has got to change."

U.S. Sen. John McCain, who was praised by Obama for his campaign proposal to offer immediate low-cost coverage for those with preexisting conditions, told CNN's Larry King after the speech, "I do believe it is an important aspect. One of the big problems is for those with pre-existing conditions and I believe that is a viable option. Republicans want reform but we are very concerned about the costs and the public options."

McCain expressed concerns over the deficit and said, "The numbers don't add up." He said a "total change in the atmosphere" is needed to forge a bipartisan bill. "Can't we sit down and work together?" he asked. "That would be a thought."

Pence, R-Columbus, while critical of the speech, added, "Nevertheless, House Republicans recognize the need to lower health care costs and are ready, willing, and able to work with the Democrat majority to solve our health care challenges in a bipartisan manner."



Candidate Obama with Hoosier Blue Dogs Reps. Brad Ellsworth, Baron Hill and Joe Donnelly. (HPI Photo by Brian A. Howey)

## Indiana delegation reaction

**Sen. Evan Bayh:** The junior senator has an invitation to the White House today, along with other centrist Democrats. According to the Wall Street Journal, Bayh is "wary" of enacting a public plan. Sen. Bayh warned the public is growing tired of government solutions, after the Wall Street bailout, the rescue of General Motors, and \$787 billion stimulus package. "We've bumped up against the tolerance for government action," Sen. Bayh said.

**U.S. Sen. Dick Lugar:** He has not changed his views since a July 28 statement in which he called for an incremental approach due to the state of the economy.

**U.S. Reps. Baron Hill and Joe Donnelly:** Neither of these Blue Dogs released a statement after the speech. Hill was meeting with the Blue Dog caucus this morning.

**U.S. Rep. Mark Souder:** "After a month of listening to constituents from across northeast Indiana express their views and opinions, I had hoped we would discover that President Obama had been listening as well. The rhetoric we heard tonight, however, was fundamentally dishonest. Perhaps most disturbing was the divisive tone President Obama took in addressing members and the factual misrepresentations that were contained in his speech. Obviously the President has not read his own bill. He misrepresented the public option, costs, proposed cuts to Medicare, abortion funding, death counseling, and almost every other point. The President's open threat to Republicans - 'I will call you out' - once again demonstrates an increasing abuse of power by this administration."

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**U.S. Rep. Dan Burton:** "The President gave another speech this evening, and I watched it with great interest. Unfortunately, I did not hear anything new. The so-called plan he outlined was nothing more than his well known set of health care reform principles already included in many of the Democrat bills. I am very concerned about how the President intends to pay for the various aspects of his plan without adding, as he said, 'a dime to our deficit.' Frankly, it is impossible to do what President Obama proposes without increases in either the deficit or taxes. Furthermore, I believe the information the President gave about Medicare



was not accurate. The leading Democrat plan before the House of Representatives, H.R. 3200, will reduce Medicare coverage by over \$500 billion dollars over the next 10 years."

**U.S. Rep. André Carson:** "From the small business owners who can't afford to provide health insurance to their employees, to the working family who fears losing their insurance along with their job, to the cancer survivor who can't get health coverage due to a pre-existing condition - all Americans stand to benefit from health care reform. I was pleased the President hit this point home in his landmark address before Congress tonight. If we are to succeed in overhauling our broken health care system - and succeed we must - we have to make sure the American people know the stakes involved and what reform means for them and their families. The President clearly and eloquently spelled that out tonight. Health care reform means stable, consistent, quality health insurance for everyone - from those who are uninsured now to those who fear losing insurance one day. It means controlling skyrocketing health costs that are hurting small businesses and breaking our federal budget. And a health care overhaul means creating more choices across the board for health insurance plans and putting decisions back in the hands of patients and their doctors—not bureaucrats in the health insurance industry. Finally, the President was firm in dispelling the outrageous claims and rumors that have been pushed by partisan interests fighting reform. The American people want facts in this debate and they deserve the truth. That's why we must follow the President's lead in standing against the fear-mongering tactics being employed by some and redouble our efforts to get accurate information to the public. The President made a clear case tonight for why our health care system is broken and why we must act now to address it. Now it's time for Congress to do our part and deliver a bill to the President that will bring true reform that is long-overdue."

## Political reaction

**U.S. Rep. Joe Wilson, R-S.C.:** "This evening I let my emotions get the best of me. While I disagree with the president's statement, my comments were inappropriate and regrettable. I extend sincere apologies to the president for this lack of civility." Wilson later tried to call the White House to talk to the president, but ended up talking with White House Chief of Staff Rahm Emanuel.

**U.S. Rep. Charles Boustany, R-La.:** Boustany is a heart surgeon. Speaking on behalf of Republicans immediately after the president's speech, he said the country wants Obama to instruct Democratic congressional leaders that

"it's time to start over on a common-sense, bipartisan plan focused on lowering the cost of health care while improving quality. Replacing your family's current health care with government-run health care is not the answer."

**Indiana Republican Chairman J. Murray Clark:** "Republicans have put many ideas for meaningful reform on the table, most of which continue to be ignored by the President and Congressional Democrats. We have questioned the ability to pay for a new \$1 trillion program in a time of economic crisis and received no answer. When Hoosiers make their voices heard, members of Congress call them 'political terrorists' and 'un-American.' Yet the President decided rather than addressing any of these concerns, he would give another speech. The Indiana Republican Party continues to be hopeful that we can use the debate to address problems such as tort reform, portability and interstate competition of insurance plans. We are hopeful that we can lower costs without raising spending or sacrificing quality of care. Unfortunately, the President's decision to speak rather than act is a clear indication that he intends to continue pushing an unpopular plan onto an unwilling public."

**Indiana Democratic Chairman Dan Parker:** "President Obama made a compelling case to the American people about the need to pass health insurance reform this year. The core of his plan is simple: Provide more security and stability for people who have insurance, provide quality, affordable care to those who don't, and rein in skyrocketing costs that are crushing American families, businesses and the government itself. Obviously, there is still a need to look at how this proposal will be structured and paid for, but Hoosier Democrats recognize that something must be done to provide relief to families in Indiana and across the country struggling amidst this health care crisis. It has been sad to see Republicans here and elsewhere stand in lock-step opposition to any discussion about the need to reform our health care system. There are those who seem more interested in scoring political points than participating in this process, and the time has come for them to put partisanship aside and heed President Obama's call for a responsible debate over these critical issues. Being the 'Party of No' just won't cut it anymore. The blind opposition can either stop with the diversions and come up with a plan of their own -- or they can start explaining to the American people why it's better to do nothing at all."

**Don Bates Jr.:** The Republican U.S. Senate candidate issued this statement: "For more than a month concerned Americans in significant numbers have attended thousands of Town Hall Meetings all across this great country, voicing their opposition to more spending, more government, and more Government intervention into their lives. The Ameri-





can people have spoken, and their message is clear they do not want a government run health insurance plan. When President Obama was first elected he promised a new tone in Washington. He said America was ready to move past partisan wrangling. And yet this past session of Congress will be remembered as one of the most partisan in history. Americans want Congress to work in a bipartisan way toward solving the health care challenges we face. Nancy Pelosi, President Obama and the Democrats in Congress stand ready to ram a bill through Congress strictly along party lines. This is not acceptable, we must do better! I strongly urge the President and Congress to go back to the drawing board, discard the current bill as written, remove the government option, and come back with a bipartisan piece of legislation that offers real solutions rather than more government intrusion into our lives."

**Chris Chocola, Club for Growth:** "With his agenda on life support, it's not surprising that President Obama is still pushing for a government takeover of our health care system. But no matter how many times he repackages it, the American people aren't buying what the president is selling."

## Non-political reaction

**Dr. Mike Schatzlein, CEO of Lutheran Health Network, Fort Wayne:** "I believe he's rejuvenated discussion of the topic and brought some focus back to what he's trying to do. I thought the president was effective. In theory. In practice, the devil is in the details. The current system is in significant difficulty."

**June Lyle, state director, AARP Indiana:** "Any meaningful health-reform legislation must encourage real competition among health plans, and have provisions to safeguard against fraud and abuse so Americans can choose a plan with the best value for their money. The real issue -- which should not be lost in the fray surrounding the public option -- is how to ensure affordable, quality health coverage for all Americans. "

**Dan Evans, chief executive of Clarian Health:** "We support and appreciate the president's continued commitment to improving our country's health-care system. We believe for real reform to occur, we must see fundamental changes in how health care is delivered and reimbursed. Physicians and health-care systems must be paid based upon quality outcomes, and medical education must train the doctors who will provide the high-quality and coordinated care required for reform to succeed. While the president's speech did not provide specific proposals to change the health-care delivery system, we remain hopeful

that Congress will focus on this critical element of reform as they reconvene debate in the coming days."

**Aaron E. Carroll, a pediatrician and director of Indiana University's Center for Health Policy and Professionalism Research:** "I didn't hear anything new in terms of policy; in fact, I think anyone following this closely has heard much of the specifics of the plan before. I think what was surprising tonight was the president's commitment and forcefulness. I think he's staked his presidency on this. He was adamant in that he would not fail to pass reform, he called out others on lies about the bill, and he delved deeply into the moral implications of reform."

**Kristen Binns, WellPoint spokeswoman:** "WellPoint agrees we need to work together to get health-care reform passed this year. In fact, in his speech, the president agreed with many of the proposals we and the health insurance industry put forward last year to reform the health insurance market. However, we are disappointed that the president stopped short of addressing health-care reform. In order to implement sustainable, responsible health-care reform, we must address the escalating costs and uneven quality of our health-care delivery system as well as reform health insurance practices. We disagree with the president's continued mischaracterization of the health insurance industry. Health insurer profits account for less than 1 percent of every health-care dollar, insurers are committed to developing innovative products with a range of affordable prices, and we have been leading the effort to increase access to preventive services and wellness programs designed to improve the health of our members."

**Dr. Geoffrey Cly, physician with Northeast OB/GYN Women's Health Group, Fort Wayne:** "Many of the goals of trying to improve coverage for all Americans are good. I'm not so sure about the financing of it and the actual day-to-day operations of the public option and how that's really going to work. I thought he did the best job I've ever heard of detailing this plan and really trying to explain it in simpler terms," Cly said.

**Gene Diamond, CEO of Sisters of St. Francis Health Systems Northern Region, Crown Point:** "I'm skeptical. He's a formidable speech maker. He outlined some fundamental truths that we have to contend with within the current health delivery system. There were some questionable statements made in the context of the speech," Diamond said, telling the Times of Northwest Indiana that key among them was how the costs of the reform will be covered. "He indicated that pre-existing conditions must be covered. That's a laudable goal." ❖



## Rokita kicks off redistricting issue

By **BRIAN A. HOWEY**

INDIANAPOLIS - If nothing else, Secretary of State Todd Rokita pushed to the front burner the issue of how Indiana will redistrict its legislative and Congressional seats in 2011.



Here's a bet I'd be willing to take: Gov. Mitch Daniels will veto any reapportionment bill that doesn't remove the political gerrymandering from the new maps. Deputy Chief of Staff Eric Holcomb put it this way:

"I'm sure the Governor will have more to say on the topic when he returns from the Asian trade mission, however as with all issues, folks can count on him defending the taxpayers' perspective."

How the Indiana General Assembly gets to the point of palatable maps the governor will sign in two years will be an extremely interesting journey.

And, before we go into the various staked out skirmish positions, here's another thought: Maybe political parties should prepare to win elections with ideas rather than with skewed maps.

Rokita kicked off the notion of new maps with five problems and four solutions.

The five problems were gerrymandered maps that didn't represent "community of interests," a lack of compactness, a lack of competitive legislative races with 40 percent since 2002 going uncontested by at least one major party, voter confusion over who represents them (he used Hamilton County with nine House seats and five Senate seats as an example), and an "unnecessarily cumbersome" process of administering elections.

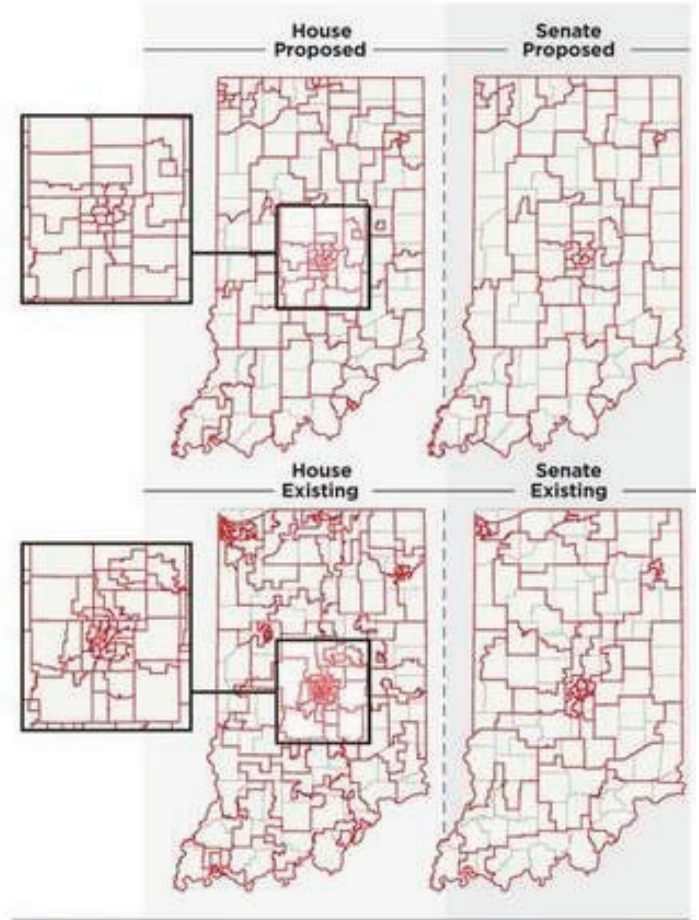
Rokita noted that because of 5,000 precincts, 30,000 poll workers and districts that cut across all sorts of boundary lines, the potential for problems increases.

I've experienced this. Voting at the Northside Knights of Columbus in Washington Township in Indianapolis since 1998, I've cast ballots in the districts of State Rep. Greg Porter and State Rep. Cindy Noe in consecutive elections (before I moved several blocks away). I've also voted in both the 7th and 5th CDs. No one could explain to me why this occurred.

For his solutions, Rokita urged the Indiana General Assembly to bar "political data" from determining how maps are drawn, keep communities of interest intact, adhere to "compactness" of districts and have balanced populations. Rokita also stressed the "nesting" concept where two Indiana House seats would fit into an Indiana Senate district.

### INDIANA HOUSE AND SENATE DISTRICTS

Secretary of State Todd Rokita proposes Indiana change how it draws legislative boundaries for congressional (see map on A1), Indiana House and Indiana Senate districts. Under his proposal, it would be a crime to consider political data, such as how people vote and where incumbents live, to draw maps, and lawmakers would be required as much as possible to follow existing county or township lines.



Source: secretary of state's office.

The Star

The reaction from other Statehouse power centers has been interesting. Gov. Daniels has been wholly supportive. In an e-mail press statement on Tuesday, Daniels wrote, "Redistricting can be done better with a sensible set of criteria that keeps political data out of the equation, keeps communities of interest together, and eliminates sprawling, oddly shaped districts while maintaining population balance."

Senate President Pro Tempore David Long vowed to promote "the most open, transparent redistricting process ever conducted in this state." He stated, "No district should be drawn with the goal of improperly favoring any person or political party."

But Long also took several swipes at Rokita, suggesting it was "none of his business," even though the secretary of state is Indiana's chief election officer. It is his business. In fact, it's all of our business.

Long also took a shot at Rokita's "nesting" concept,



"It's the laziest way you can possibly draw these."

House Speaker B. Patrick Bauer appeared to be open minded, saying Rokita's proposal "makes some sense." But we've seen such open mindedness on things like streamlining county government before the competitive juices started to flow once he opened the last session. From Bauer's viewpoint, if Democrats lose the House in 2010 and the Republicans pass and sign apolitical maps, they will likely lose control of the House.

My response to this is that parties which promote and pass good policy will reap political rewards. Why do they think a level playing field in more than 100 districts is bad policy?

House Minority Leader Brian Bosma appears to favor a legislatively created commission that would follow Rokita's "solutions" of compactness and community interests.

None of the legislative leaders like the "felony" language Rokita used if political data were to be used for map creation. That's understandable. If the governor and legislative leaders can agree on the basic principles, there's no reason to be getting prosecutors involved.

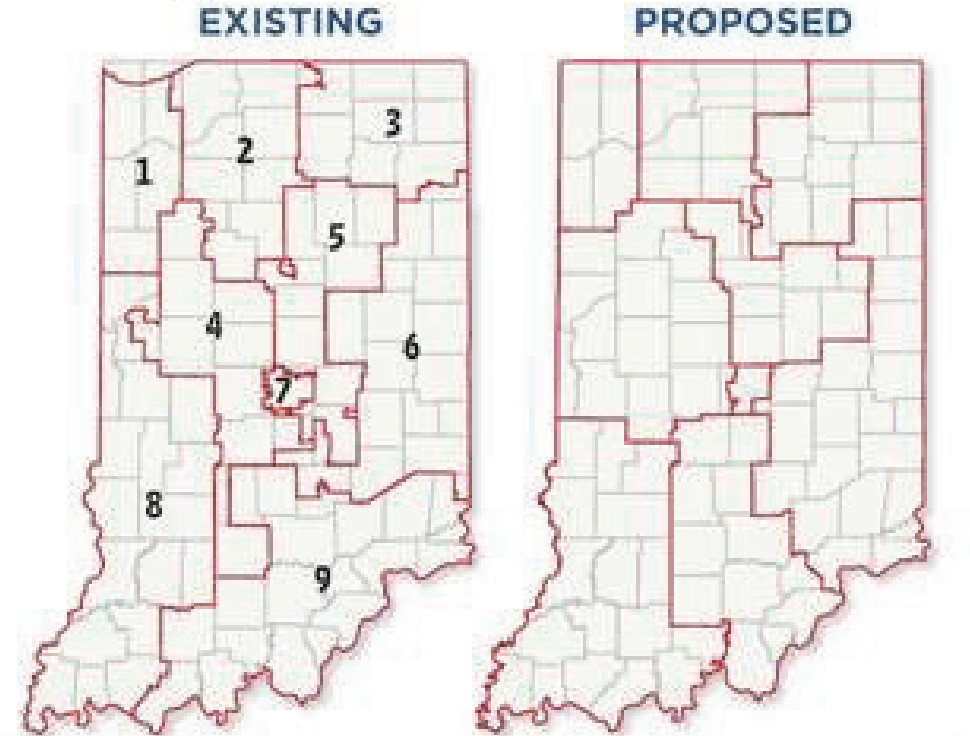
As for the need to do redistricting differently, just go back to last week's edition of Howey Politics Indiana. Of the 100 House seats up for election in 2010, our list of "competitive" seats stands at 25, as more than half a dozen of those are so-called "outlier" races that come into play only if there's a major wave. That will be winnowed down to 10 or 12 by October 2010.

We wouldn't be surprised to see 40 uncontested seats. And that's a shame. With a competitive legislative race, citizens are exposed to ideas and positions. As we've seen with the town halls last month, civic participation builds better communities.

In the Senate, it's even worse. There might be, at

## PROPOSED CONGRESSIONAL DISTRICTS

*Below is Secretary of State Todd Rokita's suggested change for Indiana's congressional districts.*



Source: secretary of state's office.

The Star



the most, two or three Senate seats in play for the general election. Republican primaries have been more competitive and State Sen. John Waterman is likely to face such a challenge in his alligator shaped district next year.

I love the phrase that State Sen. Mike Delph and others have been using: Let voters pick their legislators, not legislators pick their voters.

This state became great due to competition, whether it was Ford vs. General Motors,

Andretti vs. Foyt, the Boilermakers vs. Hoosiers, or Quayle vs. Bayh. There's no good reason this shouldn't extend to the Indiana General Assembly. ❖





## Indiana has lost 821,000 jobs

By **MORTON J. MARCUS**

INDIANAPOLIS - Recently I saw a newspaper story detailing the number and percentage of jobs lost over the past year for the metropolitan areas in Indiana. This year-over-year story is appropriate, but it tends to hide the truth behind the numbers.

The recession is just part of Indiana's economic story. Even if we recover our losses of the last year (146,000 jobs or 5.8 percent, July '08 to July '09), that would be only a portion of the 192,000 jobs lost since our last peak of 2,523,000 jobs in 2000.



Morton Marcus  
Column

However, it not just how many jobs today that we are below our previous peak. We need to think of all the jobs Hoosiers have not had in the past nine years. This job deficit, and the income and output deficits that go with job losses, is the true

measure of our economic performance.

Each of the past nine years has seen fewer Hoosier jobs than in 2000. Forget about growth; forget about keeping pace with the nation; just concentrate on holding even with our own best year. But we have not sustained that level of jobs. Hence, each year there has been a job deficit (the number of jobs below our peak). Through 2009, the sum of those deficits will total 821,000 in lost job years.

Will we regain our year 2000 peak number of jobs? Assume that all goes well in 2010; Indiana stops losing and starts gaining jobs. Assume that all those jobs promised by companies taking tax breaks from the state and local governments come through as planned by 2011, 2012, 2013, etc. That would not wipe out the aggregate deficit of jobs we have accumulated in the past nine years.

Job conditions throughout the state vary greatly. For example, the Columbus metro area saw its peak number of jobs in 2008 at 40,100, exceeding its previous 1999 peak and fully recovering from the subsequent decline between 2000 and 2003. The Bloomington and Indianapolis metro areas each peaked in 2007.

In contrast, the most recent peak for the Anderson metro area was at 43,700 in 1990; every year since then has been lower; this year's number of jobs should come in about 33,500. The aggregate job years lost equals 76,900 for Anderson. That's equal to 9.3 percent of just sustaining that prior peak through the subsequent 19 years.

Muncie's metro area shows a 14 year job deficit at 73,900 or 10.8 percent of its sustained peak job numbers. By contrast, Terre Haute also had a 14 year deficit, but is just 4.6 percent off its sustained peak numbers. Kokomo, with ten years since it last peak in 1999, has a 72,900 job deficit or a state-leading 15.2 percent below its sustained peak numbers. Yet the Gary metro area also has a ten year deficit, but is a mere 2.4% off its sustained peak levels. The Evansville metro area is in even better shape, despite eight years below its peak; its deficit is only 1.9 percent.

What are the policy implications of these numbers? Certainly we want to see communities pull out of the recession. Some places, Elkhart-Goshen for example, have seen tough times because of the current downturn and could benefit from short-term assistance.

Other places have long-term needs that require attention. Should our state have plans that address geographic differences? Do we help those in need (Anderson and Muncie)? Or do we invest where the market place has found its greatest returns (the Indianapolis metro area)? Some will say we can do both, but I suggest that is true only in theory and rarely in practice. ❖

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

**The Washington Post**  
SATURDAY, DECEMBER 29, 2007

**"The Best Indiana Political Reporter: Howey Political Report editor Brian Howey."**

**HOWEY**  
*Politics Indiana*



**Raymond Dix, Post-Tribune:** In the debate on health care, reason takes a back seat to volume. Apparently, each side believes whoever is loudest will win. As we raise the decibel count, facts seem to be lost. For example, it is a fact that health care in the United States, still the best in the world, needs some adjustment. The cost of health care is prohibitive and oppressive for many families. In addition, it is equally true that forcing competition by implementing a "public option," or government-funded health provider, will no doubt decrease the ability of private companies to remain competitive in the free market, as well as become cost-prohibitive, according to the Congressional Budget Office. It says the health care proposal adds over \$1 trillion to our national debt over the next 10 years. This is the point where the debate calls for cooler, as well as smarter, heads. In discussing an issue this important, we should all consider the consumer as well as the provider. President Obama says his priorities regarding health care reform are to lower the cost of health care and increase the opportunities for coverage. This can happen by legislation, without a public option. Proponents of a government option seem to desire coverage that is free to the user. Free health care sounds good, especially to people who love free stuff, but it is worthy to note the common-sense adage that says, "You get what you pay for." In the case of our health, perhaps we should heed that sage advice.

**Thomas Friedman, New York Times:** Watching both the health care and climate/energy debates in Congress, it is hard not to draw the following conclusion: There is only one thing worse than one-party autocracy, and that is one-party democracy, which is what we have in America today. One-party autocracy certainly has its drawbacks. But when it is led by a reasonably enlightened group of people, as China is today, it can also have great advantages. That one party can just impose the politically difficult but critically important policies needed to move a society forward in the 21st century. It is not an accident that China is committed to overtaking us in electric cars, solar power, energy efficiency, batteries, nuclear power and wind power. China's leaders understand that in a world of exploding populations and rising emerging-market middle classes, demand for clean power and energy efficiency is going to soar. Beijing wants to make sure that it owns that industry and is ordering the policies to do that, including boosting gasoline prices, from the top down. Our one-party democracy is worse. The fact is, on both the energy/climate legislation and health care legislation, only the Democrats are really playing. With a few notable exceptions, the Republican Party is standing, arms folded and saying "no." Many of

them just want President Obama to fail. Such a waste. Mr. Obama is not a socialist; he's a centrist. But if he's forced to depend entirely on his own party to pass legislation, he will be whipsawed by its different factions. ❖

**Mark Kiesling, Times of Northwest Indiana:** Much like Geraldo Rivera opening Al Capone's secret vault, President Barack Obama in his speech to schoolchildren Tuesday failed to live up to the hype. His 16-minute address contained none of the hidden political agenda right-wing Web sites wanted us to believe he was going to preach from his bully pulpit. There were no attempts to slip in some plug for his controversial health care program, unless you count telling kids to wash their hands and stay home if they have the flu. After listening to the speech, I assessed it at about 90 percent Knute Rockne and 10 percent Barack Obama. The themes he hammered home again and again were personal responsibility, that life is not always fair, suck it up and deal with it. He pointed out that kids hoping to get on the fast track to the big paycheck as rappers or basketball stars are for the most part going to be left behind. Though not everyone is going to click with teachers, he said, that is no excuse for poor performance in school. And if you do click with a teacher, so much the better. Use it as a springboard for something. Push yourself to excel. Pull yourself up by your bootstraps if necessary because life is not one big giant free-ride welfare check. Who was writing his stuff? Ann Coulter? It wasn't funny enough to be Stephen Colbert. ❖



**Lesley Stedman Weidenbener, Louisville Courier-Journal:** As political debate becomes increasingly partisan, there's a growing need for unbiased analysis of state government policy and fiscal issues. So it was welcome news last week that the Indiana Fiscal Policy Institute is re-engaging in the debate with a new president – a veteran journalist and former colleague of mine. John Ketzenberger, a business columnist at The Indianapolis Star, will start his new job on Sept. 14 with a list of goals that include embarking on new policy research, boosting membership and raising money. "I want to make the Indiana Fiscal Policy Institute the baseline for some of the public policy discussion around budget and tax questions in Indiana," said Ketzenberger. "There's a real need for the nonbiased, nonpartisan research the institute is known for and has started to do again," he said. It was two years ago that I wrote in this same space the policy institute was essentially going into hibernation. The group's president at the time – former state Sen. Steve Johnson – had stepped down from his post as the organization ran out of money to continue operations. It was a big blow to informed debate.



## Daniels spends luck 9-9-09 day in China

HANGZHOU - On "triple nine day" (09/09/09), a day considered to be "lucky" in the Chinese culture for its association with the spirit of longevity, Gov. Mitch Daniels joined Columbus-based Cummins, Inc., for a major product announcement, promoted the state's agricultural assets for future trade opportunities and renewed support for Indiana's Chinese sister-state.



Daniels began his day traveling to Hangzhou in Zhejiang Province, Indiana's Chinese sister-state. In 1987, then Governor Robert Orr signed a sister-state agreement with his Zhejiang counterpart at a ceremony in Indianapolis. At least six Zhejiang delegations have visited Indiana over the past 25 years, most recently in August 2008.

"Everywhere here in China so far we see evidence of great dynamism, even in a world recession," said Daniels. "The pro growth policy that is evident here is much like what has helped make America great, and we're determined that Indiana's economy will be what Zhejiang Province's economy has become in China." Daniels first stop in Hangzhou was at an event to unveil a new Cummins, Inc.-powered hybrid bus line purchased by the local transit authority as a part of the province's efforts to use cleaner and more fuel efficient technology for public transportation. The hybrid buses use 20 percent to 30 percent less fuel than conventional buses and substantially reduce greenhouse gas emissions. The Hangzhou Public Transit Authority currently owns more than 1,300 Cummins-powered, traditionally-fueled buses and is beginning to transition this year to hybrid

buses. Purdue University Vice Provost for Engagement Dr. Victor Lechtenberg joined the governor for a meeting with the director general and other senior officials from the Zhejiang Provincial Department of Agriculture to discuss the agricultural ties between Zhejiang and Indiana.

The government agency is responsible for implementation of the national agricultural policy, rural economic development and welfare and coordination of outside investment. After receiving a briefing on the state of agriculture in Zhejiang, Daniels and Lechtenberg discussed the breadth of Zhejiang agriculture, Indiana's pork, poultry and soybean exports and Purdue's role in agricultural technology development. "Agriculture in Zhejiang is much more diversified than in Indiana, but there remains a need in Zhejiang for many of the agricultural products that are produced in our state, so I think there is great potential and opportunity for future trade," said Lechtenberg.

In the afternoon, Gov. Daniels met with Communist Party of China Provincial Secretary Zhao Hongzhu, the highest ranking government official in the province who is also chairman of the Zhejiang Provincial People's Congress, the provincial legislative body. Daniels thanked Zhao for the continuing relationship with the province and discussed opportunities for future economic development. To conclude the day,

Party Secretary Zhao honored Governor Daniels by hosting a traditional Chinese banquet for the Indiana delegation. Tens of thousands of Chinese couples are reported to marry today in hopes that "triple nine day" will bring luck and eternal love to their marriage. The Mandarin pronunciation of the number nine is pronounced the same as the word, "jiu" which means "forever, perpetual or eternal." (There have no reported weddings involving the Indiana delegation.)

## State revenue off \$11M in August

INDIANAPOLIS - August state revenue was \$11.7 million short of the forecast lawmakers used to build the state budget, according to a report from the budget agency. Indiana collected \$494 million in sales taxes last month, down 10 percent from August 2008. However, the \$313 million collected in income taxes was 4 percent more than last August. Through the first two months of the state's fiscal year, Indiana revenue is \$88 million below forecasted amounts. But the \$11.7 million August shortfall compared to the forecast is an improvement over July's \$76.5 million deficit. Gambling revenues are running 17 percent higher than predicted so far this year.

## Sen. Snowe urges dropping public option

WASHINGTON - A key Republican senator in health care negotiations said Wednesday that President Barack Obama should drop his push for a government-run public insurance option. Sen. Olympia Snowe is part of the bipartisan Senate group negotiating on health care. Sen. Olympia Snowe of Maine said deep divisions over a public option were holding back progress on a bipartisan health care bill. Republicans unanimously oppose a public option, describing it as step toward a government takeover of health care. Democrats reject that claim, saying the public option would be one choice for consumers who could decide instead to select private coverage (CNN). "People are rightly skeptical of a government-run health care system, of the government interfering with medical decisions, so I would hope we can take it off the table," Snowe said of the public option. Dropping the provision "might accelerate the process and build momentum, refine the debate and move it in a different direction than reinventing the





wheel in a public option where there's no support among Republicans," Snowe said.

## Visclosky, Murtha links to PMA examined

WASHINGTON - For months, a cloud has swirled around U.S. Rep. John Murtha, D-Pa., chairman of the powerful House Appropriations Defense Subcommittee, and the relationship that Murtha and other subcommittee members had with the PMA Group, a lobbying firm filled with former subcommittee aides (Post-Tribune). Murtha and fellow panel members Pete Visclosky, D-Ind., and Jim Moran, D-Va., steered a host of earmarks to PMA clients, and those clients and PMA staffers gave campaign contributions to the lawmakers. Aspects of those relationships are the subject of a Justice Department probe, which is thought to be looking at whether there were explicit quid pro quo exchanges of favors for cash, which would make crimes out of relationships that are otherwise legal. The House ethics committee is also looking at the situation, and the PMA Group closed following an FBI raid late last year. Now, a computer analysis by the Center for Public Integrity has revealed that fully three-quarters of the subcommittee members have been involved in similar patterns of behavior — in circles of relationships fraught with potential conflicts of interest, involving former congressional staffers-turned lobbyists, earmarks, and campaign cash. In these circles, former staffers became lobbyists for defense contractors; the contractors received earmarks from the representatives; and the representatives received campaign contributions from the lobbyists or the contractors. The Center's analysis, which covered fiscal year 2008, found these relationship circles included not only PMA but 10 other lobbying firms. More than 50 earmarks are involved, totaling more

than \$100 million, while the campaign contributions amounted to more than \$1 million.

## Visclosky steered \$14M to PMA clients

WASHINGTON - U.S. Rep. Peter Visclosky earmarked \$14 million to defense contractors who employed a lobbying firm that is at the center of an FBI and Congressional ethics investigation, a report by a watchdog group states (Post-Tribune). Visclosky, in his 13th term in the House, is a former appropriations committee staff member himself. He is tied to the PMA Group through his former appropriations committee assistant, legislative director, and chief of staff Richard M. Kaelin. After leaving his position with Visclosky in 2003, Kaelin joined PMA. Among his dozens of lobbying clients were at least 10 defense contractors for whom his old boss secured a total of \$14 million in earmarks. The companies, whose earmarks ranged from \$800,000 to \$2,000,000 apiece, were: 21st Century Systems Inc., BriarTek Inc., General Atomics, General Dynamics Corp., NuVant Systems Inc., Optimal Solutions & Technology, Parametric Technology Corp., ProLogic Inc., RaySat Antenna Systems LLC, and Sierra Nevada Corp. Visclosky's generosity was well rewarded: He and his Calumet leadership PAC received \$124,100 from these contractors' corporate PACs; \$170,350 from individuals in the firms' leadership, \$14,000 from PMA's company political action committee, and \$13,000 from Kaelin himself. All told, Visclosky's political committees received

more than \$321,000. On Aug. 27, the Federal Election Commission approved a request from his re-election committee to allow him to use campaign funds to pay the legal bills for his current and former staffers as they deal with the PMA investigation. PMA clients and staffers gave campaign contributions totaling \$321,000 to Visclosky in 2008, who doled out \$14 million in defense contracts to PMA clients. All told, a study by the non-partisan Center for Public Integrity identified \$100 million in earmarks and \$1 million in campaign contributions from federal contractors or lobbyists tied to members of the Defense subcommittee. Visclosky has denied wrongdoing, but his chief of staff, Charles Brimmer, resigned this spring, and the 13-term congressman has returned \$14,000 in contributions from PMA-linked donors. In addition to his seat on Murtha's subcommittee, Visclosky himself chairs the Appropriations Energy and Water Subcommittee, a post Visclosky turned over to Democratic colleague Rep. Ed Pastor for the duration of the investigation. "Congressman Visclosky has always worked hard and conducted himself with integrity," spokesman Jacob Ritvo said in a statement Wednesday that listed earmarks that sent federal funds to the Purdue Technology Center, Little Calumet River Federal Flood Control Project and other projects in northwest Indiana.

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