



Obama's Afghan brinksmanship

The coming surge could determine fate of this presidency

By **BRIAN A. HOWEY**

INDIANAPOLIS - This is brinksmanship on an epic scale. President Obama is taking a huge, calculated gamble, leading the nation into a war a majority of Americans appear to believe is morally correct. The danger lies in its execution, the retribution of our enemies, and the impact on an economy that has been described as "the dagger aimed at the heart" of the Obama administration.

If the previous paragraph seems eerily familiar, it's because it is almost identical to the lead of the March 13, 2003 edition of Howey Politics, originally written on the eve of the Iraq War. The only difference is I swapped President Obama for President George W. Bush.

On Tuesday at West Point, Obama announced what is the most excruciating decision of a presidency that has been buffeted by an unprecedented series of crises rang-



ing from the Great Recession of 2009 to the auto industry collapse. But it is Afghanistan that offered the most troubling, lethal dilemmas. It is the war of "necessity" that was relegated to the backburner as Bush diverted attention and resources to Iraq to hunt nukes that didn't exist.

See Page 3

These Durham days

By **BRIAN A. HOWEY**

INDIANAPOLIS - If you've ever known anyone who has been targeted by a federal or even local investigation - and I have such acquaintances - the notion of "innocent until proven guilty" is a twisted, precarious concept.

We've seen this all before. The feds show up and haul out boxes of files and computer towers. The authorities announce that someone is a target. There is a damning court filing. And at the end there's either a high-profile trial (right, Helio?) or ... nothing. Sometimes the target of a federal sucker punch is never cleared.

They remain tainted for life while



"We can't afford to have Harry Reid and Evan Bayh in Congress for the next 6 years. I am asking for your support as I pursue the U.S. Senate."

- JOHN HOSTETTLER, in a YouTube announcement for Senate today

PRESS

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the legal filings vanish into oblivion.

This past week we've seen such a spectacle with flamboyant millionaire Tim Durham, a businessman I've met, but don't know. Unfortunately, Tim has never invited me to one of his famous parties (where I would certainly be in Off The Record mode).

Here's how the story

quickly unfolded: The feds drive up a semi-truck with "Federal Bureau of Investigation" emblazoned on the side, park it outside of Indiana's tallest skyscraper on the busiest street in the state capital, and haul out the booty. (Wouldn't the quicker freight route to the Obsidian offices have been on the Circle or parking garage?)

The TV cameras gather. The mainstream media brings us the account under Page 1 banner headlines. The blogs connect every possible dot to anyone remotely associated with the target along with an array of unsubstantiated "rumors."

In Durham's case, the court filings alleged that the National Lampooner was running a "Ponzi scheme" which is a loaded phrase, even more so these days in the wake of Bernie Madoff.

The Durham dots were quickly connected to those getting campaign donations, most prominently Marion County Prosecutor Carl Brizzi (\$160,000), Gov. Mitch Daniels (\$195,000, though Democratic Chairman Dan Parker puts it closer to \$300,000 when Aiming Higher is included), House Minority Leader Brian Bosma, Rep. Baron Hill, mayoral candidate Brian Williams and a campaign loan to a sheriff candidate named Tim Motsinger (\$200,000). Another \$207,000 was given to the Indiana Republican Central Committee.

There were quick clues that the Durham case wasn't anything ordinary. US Attorney Timothy Morrison

filed civil charges when many Ponzi schemes are greeted with those of the criminal variety. He quickly moved to try to seize 18 bank accounts, multiple properties, and a Bugatti touring car.

Then on Monday, Morrison voluntarily dismissed the 10-page forfeiture motion, telling the Indianapolis Star the DOJ initially feared sudden "dissipation of assets," but now they weren't worried about it. Oops ... never mind.

Or do I hear someone singing?

The article was published Tuesday, deep inside the paper in its anemic Business section.

When compiling Monday's HPI Daily Wire, I was greeted with an array of media reports on Durham's business dealings, the Brizzi and Daniels connections, the blog reports of



Tim Durham

high falutin' Geist parties with topless women, and the politicians that were supposedly scurrying for cover as the glare brightened. Even two cops in New Castle facing ghost employment charges were supposedly connected. Motsinger quickly folded his campaign, which was the first political casualty.

The HPI Daily Wire section recounting all of this was originally tabbed "Tim Durham Scandal." But I quickly reconsidered, opting for the safer, blander "Tim Durham" category.



The Durham case has yet to cross the "scandal" threshold. It is an "incident."

This is not to say that the smoke chugging out from under Durham's rafters won't ultimately point to fire. But it does seem that after Greg Andrews' Indianapolis Business Journal article earlier this fall connected many of the Durham financial dots and actually called for potential investor victims to step forward, the feds went on a hunting expedition. Durham's flamboyant lifestyle is like waving red to a bull.

They were, perhaps, goaded by the Durham lifestyle, or his friendships with the rich and famous, notable among them rapper Ludacris. One blog has the singer, Brizzi and even President Obama weighing in on Durham's son and his Park Tudor class presidential campaign. You could see Durham's ostentatious lifestyle on the Today Show and even in the New York Times' Sunday auto section detailing his lease of a \$250,000 Bugatti.

Yes, this has all the makings of a Midwestern Gatsby for a man who publicly aimed for riches way beyond Buffett (Warren, that is).

Perhaps the feds jumped too soon.

Over the past years, I've come up with a list of sins the politically ambitious should avoid, like not beating your girlfriend while wearing a Parrothead shirt at a Buffett (Jimmy, that is) concert. Never drive drunk (that's what aides are for). Never leave a sheriff who is running for governor an emotionally charged voice mail after your top political lieutenant has been busted for pot.

Being a "political" publication, I watch for the tangible campaign impacts. At this point, there isn't much conclusive here.

For the Motsingers of our world, relying on one campaign donor is stunning. In pulling out, Motsinger's website explained: "In light of the recent investigations concerning the non-campaign-related business affairs of my campaign finance chairman, I have made the decision that it is appropriate to return any and all financial contributions and loans that my campaign has received from him or his affiliated businesses." Without those funds, the Web site said, Motsinger's campaign is "in a non-competitive financial position."

We've heard of one man/one vote. This was one man/one campaign.

For Brizzi, who is in the midst of weighing his next political move, the lesson here may be that it's good to have friends (even rich, fun-loving friends), loyalty is a virtue, but displaying that friendship (or any friendship) so prominently leaves you open to repercussions beyond your control. I can't think of another politician who has so conspicuously displayed a friendship the way Brizzi has with Durham.

The Democrats are having a field day with all Durham/Republicans connections. The Republicans are pointing to the securities fraud filed by Secretary of State Todd Rokita against the ISTA.

Pick your poison.

The Durham story may be with us for awhile. There may be a vivid political impact. But at this writing, this political analyst urges caution. Things aren't always what they appear to be.

Just ask Helio. ❖

Afghanistan, from page 1

Obama described the resurgence of the Taliban as a "cancer" that threatens the unstable nuclear power Pakistan next door. It is, simply, "vital" to U.S. security with recent al Qaeda training camp operatives actually showing up on American soil in recent months.

Afghanistan could render the most chilling political toll on the Obama presidency as it did on Congressional Republicans in 2006. Gallup's tracking on Wednesday gives President Obama only a 35 percent approval rating on Afghanistan. In contrast, President Bush had a 90 percent Gallup approval in 2001 when he ventured into Afghanistan after the Sept. 11 attacks, and a 72 percent approval in March 2003 when he invaded Iraq. The President virtually assured this when he announced the beginning of the drawdown in July 2011, a little over 16 months before the president is expected to face re-election.

After meeting with Obama at the White House as part of a Congressional delegation on Tuesday, U.S. Sen. Dick Lugar explained, "The pace of withdrawal may be conditioned on circumstances at the time, but will resemble the withdrawal of American forces from Iraq, which is planned for this summer."

Many Americans believe the Iraq drawdown will come this summer, but a constitutional crisis is poised to put off the January parliamentary elections, which is a critical step for the withdrawal as well as reconciliation between the Shiites, Sunnis and Kurds.

The Iraq drawdown is not an assured thing. The same could hold true for Obama's 18-month Afghan surge.

Lugar: Much more discussion warranted

In comments to be presented at a Senate Foreign Relations Committee hearing featuring Secretary of State Clinton and Defense Secretary Gates, Lugar noted, "Much more discussion is warranted on whether the Afghanistan



mission is so central to our core national security that it necessitates huge spending increases and the deployment of a large portion of our finite combat capability. Even the most skillful civil-military campaign in Afghanistan is likely to be imperfect in the long run. Perhaps most importantly, it is not clear how an expanded military effort in Afghanistan addresses the problem of Taliban and al-Qaeda safe havens across the border in Pakistan."

All the moving parts

After sending 22,000 troops earlier this year and plans for 30,000 more in 2010, Obama is sending Americans into the tough mountain regions, attempting to wipe out a stubborn enemy. His Tuesday speech did little to prepare Americans for what will likely be a sharp rise in casualties. The thought of training a mostly illiterate Afghan army to take over security in 18 months is at best, dubious.

During the 2008 presidential campaign, every time HPI talked with former Indiana congressman and 911 Commissioner Tim Roemer - an Obama ally - he would accentuate the need to adequately address the Afghan/Pakistan equation. Roemer emphasized that these troubled twins were wars of "necessity."

The epic problems facing Obama's Afghan surge is all of the moving parts. There is the questionable "partner" in corrupt President Karzai. It is a land with a low literacy rate, a skyrocketing heroin trade, a lack of urban cores and a terrain perfect for guerilla warfare.

The war in Afghanistan could spill into Pakistan, where al Qaeda appears to be holed up in the lawless border regions. Do U.S. forces follow them there? The latter's nuclear arsenal is a terrorist's dream. Roemer is now ambassador to India - Pakistan's bitter enemy and also armed with nukes. Thus, he has the front row seat to various plates in place. A seismic shift in any of them could shake the entire equation.

Seymour Hersh, writing in the Nov. 16 edition of the *New Yorker*, told the chilling story of Oct. 17 when the Pakistan Taliban penetrated the country's main military headquarters that resulted in a 20-hour standoff and 23

dead. Hersh asked: The success of the latest attacks raised an obvious question: Are the bombs safe? There are between 80 and 100 nuclear warheads scattered throughout Pakistan.

Hersh continued: On April 29th, President Obama was asked at a news conference whether he could reassure the American people that Pakistan's nuclear arsenal could be kept away from terrorists. Obama's answer remains the clearest delineation of the Administration's public posture. He was, he said, "gravely concerned" about the fragility of the civilian government of President Asif Ali Zardari. "Their biggest threat right now comes internally," Obama said.

When Obama was asked if the Pakistan nuclear arsenal was safe on April 29, the president cut off NBC reporter Chuck Todd's question. "I'm not going to engage in hypotheticals of that sort. I feel confident that the nuclear arsenal will remain out of militant hands. OK?"

Hersh would report: Obama did not say so, but current and former officials said in interviews in Washington and Pakistan that his Administration has been negotiating highly sensitive understandings with the Pakistani military. These would allow specially trained American units to provide added security for the Pakistani arsenal in case of a crisis.

Security threat

On Tuesday, Obama acknowledged the region's stability overpowered the notion for withdrawal. "I make this decision because I am convinced that our security is at stake in Afghanistan and Pakistan," the president explained. "This is the epicenter of the violent extremism practiced by al Qaeda. It is from here that we were attacked on 9/11, and it is from here that new attacks are being plotted as I speak. This is no idle danger; no hypothetical threat. In the last few months alone, we have apprehended extremists within our borders who were sent here from the border region of Afghanistan and Pakistan to commit new acts of terror. This danger will only grow if the region slides backwards, and al Qaeda can operate with impunity."

Obama continued, "I refuse to set goals that go



beyond our responsibility, our means, or our interests. And I must weigh all of the challenges that our nation faces. I don't have the luxury of committing to just one. Indeed, I am mindful of the words of President Eisenhower, who -- in discussing our national security -- said, 'Each proposal must be weighed in the light of a broader consideration: the need to maintain balance in and among national programs.'"

Chances for success

U.S. Sen. Evan Bayh, who traveled to Afghanistan with then Sen. Obama, explained, "This is a very difficult and complex situation with no guarantee of success. I am glad that the President has taken the time to maximize the chances that we will succeed. It is vitally important that we make the Afghans do their part. This cannot be a blank check or an open-ended commitment on the part of the United States. The President's approach gives us the best chance to stabilize Afghanistan so that we may ultimately leave with America's national security interests having been met."

Michael O'Hanlon

of the Brookings Institute recently returned from Afghanistan and portrayed a picture not as dismal as some surge critics expect. "There are several general reasons for hopefulness to balance all the bad news," O'Hanlon explained. "The Afghan people remain much more pro-Western and pro-American than generally portrayed. Arguments that Afghans are allergic to foreigners and xenophobic in outlook are much more wrong than right."

O'Hanlon observes that we finally have the 'A Team' deployed to this mission, "as one general remarked to me in Kandahar. Not only the United States, but Great Britain, is quite committed to the effort. Other allies like Canada, the Netherlands, Denmark, Australia and France are fighting hard, too."

He noted that the "civilian surge" has begun: "I was extremely impressed by the quality, commitment, and growing presence of American diplomats and development workers - not only in the embassy in Kabul, but in their dusty plywood offices and on the streets of Kandahar and Helmand. We had only a handful of American civilians in southern Afghanistan a year ago; now the number is 80, and will exceed 100 early in 2010. They also have money to spend, a key to success here."

Finally, O'Hanlon writes, "they also display a growing understanding of tribal identities and dynamics that eluded foreign forces in earlier periods of the war."

'Winning' in Afghanistan

One thing President Obama did not do on Tuesday was to describe a "victory" in the mission.

Herein lies another political fault line. U.S. Rep. Mike Pence, who has opposed Obama on virtually all policy, was supportive of the Afghan strategy. But he quickly couched it with high expectations. "The war in Afghanistan is a war of necessity and a decisive victory over the Taliban and Al Qaeda must remain our unchanging objective," Pence said. "The goal of American forces in Afghanistan must be nothing less than a decisive victory for freedom."

Obama took steps to differentiate Afghanistan from Vietnam. "Unlike Vietnam, we are joined by a broad coalition of 43 nations that recognizes the legitimacy of our action. Unlike Vietnam, we are not facing a broad-based popular insurgency. And most importantly, unlike Vietnam, the American people were viciously attacked from Afghanistan,

and remain a target for those same extremists who are plotting along its border."

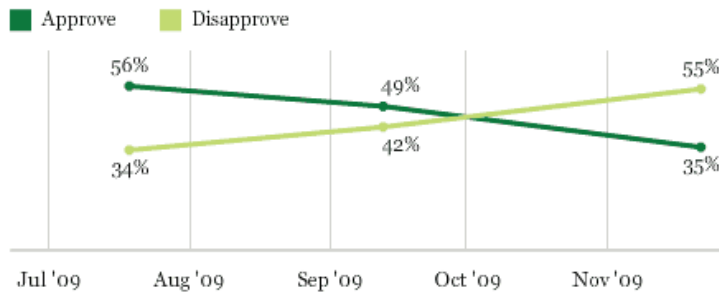
Another huge difference is the Vietnam era draft that ignited broad public opposition on American streets between 1967 and 1972. That has been absent during the "volunteer" wars of Iraq and Afghanistan fought by America's warrior class. The burdens have been isolated to this class and their families. Probably 99 percent of Americans have yet to make any kind of sacrifice on either front.

The other dilemma facing the President is the \$1.4 trillion deficit and the \$30 billion annual cost of Afghanistan.

Over the weekend, both Lugar and Bayh expressed concerns about the war's fiscal impact. "What is the capacity of our country to finance this particular situation? The war is terribly important," Lugar said on CNN's State of the Union last Sunday. "Jobs and our economy are terribly important. So this may be an audacious suggestion, but I would suggest we put aside the health care debate until next year, the same way we put cap and trade and climate change, and talk now about the essentials: the war and money."

Bayh said on Fox News Sunday, "I'd like to hear

Do you approve or disapprove of the way Barack Obama is handling the situation in Afghanistan?



GALLUP



him address the costs of the situation and be very forthright with the American people about that."

On this point, Obama was vague. "All told, by the time I took office the cost of the wars in Iraq and Afghanistan approached a trillion dollars," the President said. "Going forward, I am committed to addressing these costs openly and honestly. Our new approach in Afghanistan is likely to cost us roughly \$30 billion for the military this year, and I will work closely with Congress to address these costs as we work to bring down our deficit."

U.S. Sen. Lindsey Graham dismissed the talk of an unaffordable Afghan war as "ridiculous" and a "sham." But many Americans remember the early estimates of the Iraq War by then White House Budget Director Mitch Daniels who told the New York Times in January 2003 that war could cost up to \$60 billion, a number President George W. Bush quickly tried to downplay. The Los Angeles Times reported last April that with the latest military supplemental budget, the Iraq war would cost \$694 billion, compared to \$686 billion for the Vietnam war, which had ranked second only to World War II at \$4.1 trillion.

Epilogue

Afghanistan is a most wrenching decision Obama is facing and Hoosiers saw this vividly in late October. We watched our President honor Sgt. Dale Griffin of Terre Haute as his body was carried off a transport plane at Dover AFB. Griffin was one of 18 Americans killed in Afghanistan that week.

The political consequences could be difficult, particularly if there are high casualties, if the Taliban remains unconquered and al Qaeda elusive, if the July 2011 deadline is blown, and if the added debt triggers a radical reaction from the Chinese who are financing our wars.

And while Lugar recently called for a "sober conversation" on Afghanistan, as an analyst we received a similar dose of sobriety from Thomas E. Ricks, the Washington Post military reporter who wrote two of the best books on Iraq: "Fiasco: the American Military Adventure in Iraq" and "The Gamble: Gen. David Petraeus and the American Military Adventure in Iraq 2006-2008."

Ricks explained on Tuesday, "When I read political reporters writing about Iraq and Afghanistan, it makes me wonder if I would look so stupid if I wrote about politics. I think I would. You can't understand elections without going out and watching campaigns and talking to voters. And you can't understand wars without being on the ground. That probably goes double for counterinsurgency."

To underscore how unreliable conventional wisdom can be, the paramount Iraq war political issue simply fizzled during the homestretch of the Obama-McCain race in 2008.



Little Medicaid dialogue between Daniels, Bayh

By **BRIAN A. HOWEY**

INDIANAPOLIS - Gov. Mitch Daniels has sounded a general alarm about the health care reforms, particularly those passed by the U.S. House. But specifically he is fretting about the multi-billion dollar impact Medicaid could have on the states.

Gov. Daniels, meet Sen. Bayh.

In a Nov. 4 letter to the Indiana Congressional delegation, Daniels warned of "billions of costs for Hoosier taxpayers through the mandated expansion of Medicaid to some one quarter of our population." He said the official estimate for the first few years is \$1.4 billion, "which would be bad enough, but never in Medicaid history have these original projections not been exceeded, so we know the real number will be much higher."

The one Hoosier member likely to have the biggest impact on the health reforms is Democrat U.S. Sen. Evan

Bayh, who as we all know is a former two-term Indiana governor. Much of Bayh's tenure in office between 1989 and 1996 was spent grappling with the rapidly escalating cost of Medicaid.



But other than a couple of

letters to the Congressional delegation, there has been little dialogue between Daniels and Bayh. The party divide between the two appears to be another example of the sharp partisan gulf brought about by the health care reforms and the Obama presidency.

During a Republican Governors Association presser in Texas on Nov. 19, Daniels castigated the reforms calling both the House and Senate bills "fraudulent" in disguising the true costs of the legislation. He also mentioned the so-called "doctors fix" that would increase the Medicare payments for doctors. "We all know a sucker play when we see one," he said.

Mississippi Gov. Haley Barbour, the chairman of the RGA, added, "Sen. Reid's bill, like the House bill, guts Medicare and is a huge cost shift that will be borne by the states."

"We've not followed up beyond the letter the



Governor sent to the delegation," said Eric Holcomb, deputy chief of staff to Daniels. "Obviously, folks know the Governor's concerns."

Bayh is a Senate moderate who has not committed to voting for a final bill. That means he can exact a price for his vote. He's already done so prior to the cloture vote, dialing back a \$39 billion medical device tax on manufacturers to \$19 billion.

Is he in a position to ensure that states don't get pegged with another dreaded unfunded mandate from Congress over Medicaid?

"As a former governor, I empathize with the concerns of Gov. Daniels," Bayh told HPI on Wednesday. "One of the principal reasons I supported the jobs bill was it provided more than \$247 million to help Indiana's Medicaid budget and \$1.5 billion for education in our state."

Bayh said that in the critical three weeks before Christmas when a final health reform vote could take place, "My focus is going to be on mitigating the costs to Indiana and guaranteeing that the federal share of the program is significantly higher than it is now."

Bayh explained that under the current bill - where amendment votes commence today - "beginning in 2014 the federal government will be paying 100 percent of increased Medicaid costs through 2016 and 95 percent of the costs thereafter."

That compares to the current federal share of 70.2 percent.

"So these increases represent a significant improvement in the portion borne by the federal government," Bayh said. "The alternative is to do nothing and have individual Hoosiers and Indiana businesses continue to pay the costs of treating the uninsured, something that is both costly and inefficient."

The Democrat added, "We must ensure that every additional dollar authorized for health care is a dollar spent on the most efficient care available." ❖



How did we miss big Clyde Lovellette?

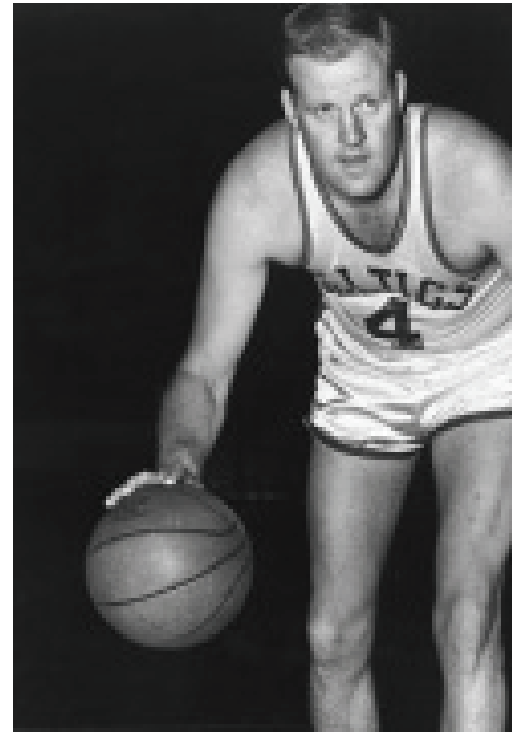
In the Nov. 19 edition of Howey Politics Indiana, we listed 11 Indiana basketball players and Coach Marvin Wood who tried (some succeeded) in making the transition to politics.

We knew we'd miss someone. It's hard to believe we missed big Clyde Lovellette. But Ray Moscovitz brought Lovellette to our attention and we added him to the HPI All Political Basketball team published at www.howeypolitics.com.

Thus, we set the record straight in the weekly:

Clyde Lovellette, vigo Sheriff, Wabash County Councilman:

Lovellette was a 6-9 center who led Terre Haute Garfield to state runner-up in 1947. He went to Kansas where he played for Coach Phog Allen and was a teammate of Dean Smith, leading the Jayhawks to the 1952 title and was NCAA player of the year. He became the first player to win an NCAA title, an Olympic Gold Medal in 1952 at Helsinki, and an NBA title. He won NBA titles with the Minneapolis Lakers and the Boston Celtics. He was inducted into the Indiana and Naismith basketball



hall of fames. After his playing days, Lovellette returned to Indiana where he served one term as Vigo County sheriff, defeated for re-election. Later, while teaching at White's Institute, he was a Wabash County Councilman. After moving to Munising, Mich., he served on the city council there.

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Help choose the 2010 HP Power 50

Howey Politics Indiana subscribers have the unique annual opportunity to help select the 2010 HPI Power 50.

It's the list that reflects not only who wields the clout, but the issues and circumstances that bring people to that point.

The list is never just a popularity contest. It attempts to gauge the issues for the coming year and who is in the best place to have an impact. Take a look at the 2009 HPI Power 50 below. It had a lot of Indiana General Assembly budget movers and shakers because ... it was a budget year.

This time around there will be a number of key U.S. and Indiana House races that will be in play, so we're likely to see that reflected in the 2010 list.

Send your suggestions to Howey Politics (or send in your own list) at bhowey2@gmail.com. We'll publish the 2010 Power 50 in the Jan. 6, 2009 edition of Howey Politics Indiana, the one news organization in Indiana that's growing.

2009 HPI Power 50

1. Gov. Mitch Daniels
2. U.S. Sen. Dick Lugar
3. House Speaker B. Patrick Bauer
4. U.S. Rep. Mike Pence
5. UAW President Ron Gettelfinger
6. U.S. Sen. Evan Bayh
7. Senate President Pro Tempore David Long
8. State Sen. Luke Kenley
9. Ways and Means Chairman William Crawford
10. Chief of Staff Earl Goode
11. Lt. Gov. Becky Skillman
12. OMB Director Ryan Kitchell
13. U.S. Rep. Joe Donnelly
14. U.S. Rep. Baron Hill
15. Evansville Mayor Jonathan Weinzapfel
16. Kokomo Mayor Greg Goodnight, Columbus Mayor Fred Armstrong & Marion Mayor Wayne Seybold
17. House Minority Leader Brian Bosma
18. State Sen. Brandt Hershman
19. IN Manufacturers Assoc. CEO/President Patrick Kiely
20. Barnes & Thornburg, Managing Partner, Bob Grand
21. Budget Director Chris Ruhl
22. Commerce Secretary Mitch Roob
23. U.S. Rep. Pete Visclosky
24. U.S. Rep. Mark Souder
25. Indianapolis Mayor Greg Ballard
26. Fort Wayne Mayor Tom Henry
27. U.S. Rep. Steve Buyer
28. Supt. Tony Bennett
29. U.S. Rep. Brad Ellsworth
30. U.S. Rep. Andre Carson
31. UAW Region III President Mo Davison
32. Indiana Democratic Chairman Dan Parker
33. Indiana Republican Chairman J. Murray Clark
34. Deputy Chief of Staff Betsy Burdick
35. Indiana Chamber President Kevin Brinegar
36. State Rep. Scott Pelath
37. U.S. Rep. Dan Burton
38. Chief Justice Randall T. Shepard and Gov. Joe Kernan
39. Farm Bureau President Don Villwock
40. Senate Minority Leader Vi Simpson
41. South Bend Mayor Stephen Luecke
42. Obama Chief of Staff Ron Klain
43. Muncie Mayor Sharon McShurley
44. Dawn Johnsen, IU Mauer School of Law
45. Lugar Chief of Staff Marty Morris
46. Bayh Chief of Staff Tom Sugar
47. Marion County Prosecutor Carl Brizzi
48. Centaur President Rod Ratcliff
49. Secretary of State Todd Rokita
50. Eric Holcomb, Daniels' Campaign and Administration



Economic brink shapes HPI Power 50

A Detroit 3 demise & tough budget shapes 2009 list

By BRIAN A. HOWEY
MARK SCHOEFF JR.

The exhilaration of the 2008 presidential election and property tax reform has now given way to the sober and potentially catastrophic prospects of capitalism in crisis and a possible collapse of Indiana's automotive sector. As gasoline prices rocketed to \$4.19 a gallon last summer and the fissures of Wall Street swept Main Street credit into the gutter, Indiana saw cascading reverberations: first the RV industry where Elkhart County now has a 12.8 percent jobless rate, then auto suppliers, followed by the Detroit 3, and now in the last month or so, steel. The crisis comes as the American empire wobbles. The seven sisters of private multi-national oil companies



Gov. Daniels after his budget address at the Scottish Rite Cathedral on Tuesday. The Indiana of today find the RV, auto and news media industries in steep decline or near collapse and a tough budget scenario. (HPI Photo by Brian A. Howey)

have become enterprises controlled by hostile nations like Venezuela and Russia. Even friendly producers such as Saudi Arabia are moving toward China. Oil may soon be traded under a currency other than the dollar.

See Page 3

Chewing gum with Pat

By BRIAN A. HOWEY

INDIANAPOLIS – Last March in the Indiana Statehouse, there was a historic gathering of our leaders who had wrought great change. Gov. Mitch Daniels was there. So was Democratic House Speaker B. Patrick Bauer. They convened to sign HB1201 which brought many of you a 30-percent property tax reduction. Some of you even more. More than a 2-to-1 margin in the House and Senate passed this bill. That meant that many Republicans and Democrats voted for the bill. It wasn't a partisan showdown. The bill ushered in phased



“What do you want me to do, walk around here? We're saving taxpayers' money by riding in a Hummer. I could've have bought a \$50,000 Expedition.”

- Gary Mayor Rudy Clay



Securities complaint against ISTA could impact House races

By **BRIAN A. HOWEY**

INDIANAPOLIS - Indiana Secretary of State Todd Rokita announced Wednesday that his Indiana Securities Division has filed a civil complaint against the Indiana State Teachers Association (ISTA), the ISTA Insurance Trust, and several other related entities.



In doing so, Rokita's complaint requests that the finances of ISTA and the related entities be frozen until a conservator or receiver can account for investor funds. However, it also requests that the court

craft an order that allows for the flow of disability claims to teachers to continue while the investigation continues.

The complaint alleges that ISTA now is unable to properly account for approximately \$23 million intended for school districts. "The latest evidence indicates that ISTA is now offering these Indiana school corporations pennies on the dollar in an effort to wipe away their liability," said Rokita. "The purpose of this action is to request that an independent third party be assigned to ensure transparent accounting and equitable distribution of any remaining funds, while not interrupting any payments being made to disabled teachers."

The political question is whether ISTA's frozen finances impact the Indiana House races that are now beginning to take shape. The association has been a major backer of Democratic House candidates.

Republican sources, noting the Democratic rush to call for their candidates to return money from financier Tim Durham over alleged securities fraud, are speculating whether a similar taint will come to candidates receiving ISTA PAC funds.

Indiana Democratic Chairman Dan Parker told HPI on Wednesday, "I don't think so." He noted that the Indiana Political Action Committee for Education is completely separate from the ISTA. "No association money can go into that," Parker said. "It's a PAC. It's a completely different organization."



ROKITA

Hostettler signals challenge to Sen. Bayh

INDIANAPOLIS - Former U.S. Rep. John Hostettler has announced his intention to challenge U.S. Sen. Evan Bayh in 2010 on YouTube this morning. His appeal to supporters to sign a petition can be seen at <http://www.youtube.com/watch?v=MiqAY8OF260>.

Hostettler lost a re-election bid to Congress in 2006. He was one of the only Republicans to vote against the 2002 Iraq War Resolution.

He noted that the various Uniservs that contribute to local House races are also separate.

Asked if he's concerned that Democratic House candidates will be under pressure to return ISTA-rated PAC money similar to Democratic calls for Republicans to return campaign money from Durham, Parker responded, "It's a totally different case. This money comes from individual members who have done nothing wrong."

2ND CD: 60 PLUS LASHES OUT AT DONNELLY: A spokesman for a senior advocacy group is refuting allegations by Rep. Joe Donnelly that his organization, which has targeted Donnelly and other House members for their votes on health care reform, is a front for the health insurance industry (Blasko, South Bend Tribune). Jim Corti, spokesman for the 60 Plus Association, said Tuesday that his organization has millions of members and that those members, and not special interests, paid for a television advertisement critical of Donnelly. Donnelly, D-Granger, alleged during a visit with a group of South Bend seniors Monday that 60 Plus had no individual members and that its ad, which has been running on local television stations, was paid for by health insurance companies. "He claims that 60 Plus has no members," Corti said of Donnelly. "But that's untrue. We have over 5 million members and we've been around for 17 years." In fact, Corti said, the two individuals featured in the ad, John and Donna Laureys of New Carlisle, are themselves members of the organization. "It's all untrue," Corti said, "but it keeps getting repeated because Donnelly doesn't check his facts."

5TH CD: BURTON RUNNING 2ND TV AD: U.S. Rep. Dan Burton has begun running his second campaign TV ad (Howey Politics Indiana). "We don't want socialized medicine in America," Burton says in the ad. "We don't want to see \$700 billion in new taxes. Contact your senators and congressmen and do it now."

5TH CD: MURPHY TAKES ETHICS TO BURTON: State Rep. Mike Murphy continued to take swings at U.S. Rep. Dan Burton over ethics. "I've always supported legislation that holds elected officials accountable and increases



transparency in government," Murphy said Wednesday. "I am honored to lend my name and efforts to pass these reforms. They should go a long way toward continuing public trust in state lawmakers and other elected officials."

Murphy noted that when the U.S. House voted on a complete overhaul of the House Rules to ban gifts from lobbyists, limit privately funded travel and ensure timely reporting, "Dan Burton was the only member of Congress to vote against the reform package." In contrast, Murphy was one of only 7 legislators to vote against free health insurance for members of the General Assembly. "Time and again, our congressman has failed to lead in his representation of Indiana's 5th Congressional District. Now more than ever, Americans need leaders who will put people before politics and perks," Murphy said. "I have a strong record on ethics reform and a strong commitment to the voters who put me in office. Voters can expect me to keep this same commitment when I'm in Washington."

BATTLE FOR THE HOUSE: Gov. Mitch Daniels will travel to Chicago on Friday for a fundraiser to benefit his Aiming Higher political action committee (Evansville Courier & Press). The event, at the Mayer Brown law office, will include former Republican Illinois Gov. Jim Thompson and well-known GOP names such as the party's Indiana chairman, Murray Clark.

Individual tickets cost \$200, although donors can "sponsor" the event — and receive eight tickets — for \$5,000.

Daniels claims to have run his final campaign. The money will serve the governor's political interests such as helping fund a Republican attempt to wrestle control of the Indiana House away from Democrats, who now hold a 52-48 majority, in the 2010 elections.

Potential beneficiaries might include Cheryl Musgrave, who was the commissioner of the state Department of Local Government Finance under Daniels. Musgrave, also a former Vanderburgh County commissioner, is seeking the Evansville-area Indiana House District 77 seat currently held by Democratic Rep. Gail Riecken.

HD4: JUDGE WEBBER TO CHALLENGE SOLIDAY:

Former Porter Superior Judge Thomas Webber announced his intention Monday to run as a Democrat for the state house seat now held by Republican Ed Soliday (Times of Northwest Indiana). "I think the district needs some help," the 73-year-old said. Webber, who had served as a Portage police officer for 20 years before completing law school and spending 13 years on the bench, cited highways, law enforcement and the judiciary as among his priorities. He said he would elaborate as the campaign progresses toward the May primaries. He came out of retirement a couple years later to fill a vacancy left when Lake County Judge Joan

Kouros was removed from the bench because she was slow in completing routine paperwork, adversely affecting cases. His nine months on the bench were acknowledged by Republican Gov. Mitch Daniels, who awarded Webber in 2005 with the Distinguished Hoosier award. Webber said he also presided a short time over Lake County's domestic relations division. If elected next year to the state house, Webber said he would have to relinquish his senior judge status. In 2008, Soliday defeated Democrat Larry Chubb 19,586 to 13,870. It was much closer to 2006 when Soliday defeated Porter County Councilwoman Sylvia Graham 10,175 to 9,084.

HD97: ROBINSON DECLARES: Wes Robinson announced his Republican candidacy this week. A Neurological Trauma Critical Care Nurse at Methodist Hospital, Robinson has spent more than eight months since 2007 on the Thailand/Burma border working in refugee camps with children of war. Speaking of his candidacy, Robinson said, "House District 97 is one of the most diverse districts in Indiana. While our philosophies and families may look different, our keys to success are the same. Smarter spending, smaller government, and individual freedom will ensure growth in the economy, education, energy, and in the neighborhoods of those who have the least among us."

SoS: McKENNA TO TARGET VOTER ID: Democratic Party activist and former state Department of Commerce executive director Thomas McKenna stopped at the downtown courthouse Wednesday to announce his candidacy for secretary of state to Northwest Indiana party voters (Grimm, Post-Tribune). McKenna said an assault on voters rights by Republican administrations prompted him to seek to become the state's top election official in 2010, a year when legislators will begin redrawing legislative districts and a series of close races in the state House could mean the secretary of state might decide who serves as speaker. "Difficult things are going to happen in 2010. I believe we're going to see some funny things. There will be attempts to shrink that voter pool," said McKenna in front of a small group of reporters and supporters at the historic Old Lake County Courthouse. McKenna said the state's photo identification requirement blocked college students and even longtime residents of the same polling districts from voting in the hotly contested 2008 Democratic Primary and general elections.

INDIANAPOLIS MAYORAL: Melina Kennedy is having a big dollar fundraiser Dec. 9 at the Highland Country Club. Sponsors include Bart Peterson, Mike O'Connor, Kip Tew, Lacy Johnson, Tom New, Chip Garver, Bob Kuzman, Phil Bayt, Carl Drummer, Scott Chinn and Frank Short.





Privatization beef is not due to parties

By **SHAW R. FRIEDMAN**

LaPORTE - While Gov. Daniels has been one of the most ardent proponents for selling off or leasing public functions to the corporate sector for some perceived gains, some Democrats in other states have sampled from the privatization buffet table and also gotten sick from privatization deals that were similarly inedible and impossible to digest.

My beef with Governor Daniels over his penchant for wanting to sell off public assets to the highest corporate bidder or leasing off key public functions has nothing to do with political party. Indeed, one of the Governor's more respected supporters and the father of former Secretary of State Ed Simcox recently wrote a letter to a local newspaper saying that my quibbles with the Governor about welfare privatization probably were due to our differences in political party.



With all due respect to J. Willard Simcox, a former Republican district chairman who was one of the most effective political leaders ever to serve in northern Indiana and a fellow whom I genuinely like and admire – this particular dispute has little to do with political party. It has everything to do with a reckless ideology that Daniels and a few others subscribe to that says market forces are better and more efficient at handling basic government functions. In fact, there are a few Democrats in other parts of the country who agree with our Governor on the supposed benefits of privatization, but time and experience has shown that they are equally wrongheaded.

The Governor's failed experiment with privatizing our welfare system was just as flawed as Chicago Mayor Daley's attempt to privatize that city's 36,000 parking meters. In both cases, there was a mistaken belief that giant corporations, whose first duty is to maximize profits and satisfy shareholders, would somehow deliver better service and protect the public interest.

How bad was the parking meter privatization? Parking fees quadrupled in some areas, running to \$3.50 an hour in the Loop; downtown rates will rise to \$6.50 by 2013. The need to stuff meters with 28 quarters to park for 2 hours jammed many of them. In the months since the \$1.2 billion privatization took effect, widespread complaints arose about poor service and rising parking rates created a firestorm. Public opposition was so strong that the Chicago City Council this past June approved delaying any future

public asset sales. The city's Inspector General even opined that taxpayers would have fared better had the meters remained in public hands.

The largest privatization deal proposed to date in the U.S. – a \$12.8 billion privatized lease of the Pennsylvania Turnpike to an investor group headed by Citibank and a Spanish company has fallen apart. Though proposed by that state's Democratic Governor, the Pennsylvania Legislature mustered the will to block the deal.

Turns out that careful cost analysis is showing that the privatized agreements often don't produce the promised savings or improved service. For instance, a recent audit in Kentucky showed the state could have saved nearly \$10 million had its own employees, rather than contract workers been used to staff facilities for the mentally ill. And in Florida, when a vendor's contract to provide food service for prison inmates came up for review, it turned out this too could have been done better and cheaper by state employees. With Indiana's prison food vendor now experimenting with trying to save costs by skipping lunchtime at Plainfield Correctional facility on certain days, can it be long before the deal with Aramark is given a good once over?

The New York Times put it best on June 5, 2009 when it stated "privatization – the selling of public airports, bridges, roads and the like to private investors looks like a boom that wasn't. Deals are collapsing."

Proponents of privatization tend to badly over promise what the deals can mean in cost savings to government. With our Governor's disastrous \$1.3 billion contract awarded to IBM to privatize the welfare system, not one dime was saved nor did automated call centers help in fraud detection. In order to prove intent to cheat, you need witnesses who have dealt with recipients in person, not anonymous call center employees. Worst yet, the privatized system meant thousands of eligible Hoosiers did not receive their medical benefits or foods stamps on time, if at all.

If welfare privatization was Daniels' greatest mistake, perhaps his best achievement was in reforming the Bureau of Motor Vehicles. And ironically, it is that success with a public agency, with public employees now efficiently serving the public good that is probably the best argument against privatization. Where government is properly funded, efficiently run and held accountable, it serves a vital and needed role.

Ideology continues to drive the privatization myth, not partisan politics. It will take a concerted effort by public-spirited Democrats and Republicans in Indiana to help stop the sell-off of public assets. It is unrealistic to expect giant, out-of-state corporations whose first loyalty is to their shareholders and to maximizing profits to somehow put the public interest first. While Mitch Daniels can still cling to his 'magic of the marketplace improving the public



sector' myth like a child holding onto stories of the Easter bunny and Santa, it's up to grown adults to inject some sanity into the debate and tell the Governor that these out-of-state (and sometimes foreign) corporations are not going to get their hands on Hoosier public assets and key

services any more. We can't afford more failed experiments like the welfare privatization debacle. ❖

Shaw R. Friedman is a LaPorte attorney and a regular contributor to HPI.

Grandson learns Hoosier facts of life

By **MORTON J. MARCUS**

INDIANAPOLIS - Recently my grandson, Nathaniel, had his first birthday. Soon thereafter I took him to a donut shop to teach him the facts of life. If he is to become an adult Hoosier, there are things he must learn.

With sugary icing on his little fingers, he gave me that smile which softens the most curmudgeonly of senior citizens. I, however, would not be deterred from my course.



Morton Marcus
Column

"Young man," I said, "you may not understand all I say to you today, but you will recall and value my words in the future."

Nate continued to smile.

"Soon," I went on, "the Indiana General Assembly will meet. They are our representatives in state government. They are not our voices. They are elected to do what is right for our state, even (and particularly) if we do not

have the willingness to do it ourselves."

Nate reached for a jelly-filled donut with strawberry icing. After an initial exploration, this caloric bomb exploded and I wiped up the debris. He then went for a plain cake donut and I proceeded.

"You will hear," I said "that the legislature wants to cut taxes, particularly property taxes. Your task as a citizen is to ask Why? What services will you reduce? If no services are to be cut, then where will you get the money to keep them operating? If you need no offsetting revenue, how would you change government operations?"

"**These questions will make** you unpopular and disqualify you for public office. The greatest uproar will come from asking Why? You will be told that Indiana's taxes are too high, that old people are suffering and losing their homes because of our inequitable tax policies. Maybe no one can name any such old people, but that is beside the point. In politics claims do not have to be substantiated. Fear, not fact, stimulates action."

This was the moment when Nate decided to demonstrate how he plays the bongos. With both hands

he struck the tray of his high-chair in a series of complex rhythmic motions. I grabbed his hot chocolate and looked about to see if others were enjoying the concert as much as I was.

"**Yes, my little friend," I said,** "your generation will have its hands full of goo left over from the legislative sessions of my generation. Each year these 150 good men and women meet in Indianapolis and leave a web of conflicting, unstructured instructions (laws) that no self-respecting spider would weave.

"They talk of reform, but they never achieve simplification. They pontificate about fairness and set up complex practices that are discriminatory in favor of this group here and that group there."

Nate made a face. I could not tell if he was in agreement with me or had to burp. Unfazed, I went on. "The worst of it is that they believe in their own wisdom and superior morality. In their eyes, no local government, no school corporation, no library district, not at the city, town, or county level is their equal. That is why in each legislative session the powers of these 'lesser' governments are reduced. There is no trust in or respect for local democratic institutions.

"At the same time, our state government officials complain bitterly about the restrictions and measures of accountability required by the federal government. Because localities cannot meet their own needs from their own revenue sources, they must depend on the largess of higher level governments. The result of being treated as incompetent is childish behavior at the local level."

Nate gave me a thoughtful look. "The problems we face together through government are serious and complex. Often only a few persons know enough to resolve them. Yet we cannot marginalize those who are closest to the problems."

Nate now was sending signals to my eyes and nose that told me our conversation was over. ❖

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

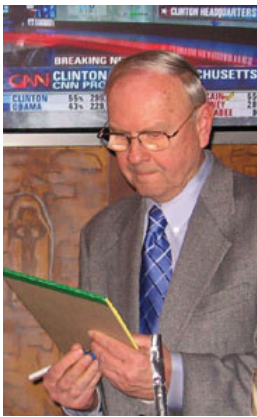


Taste of South Bend comes to Big Easy

By JACK COLWELL

NEW ORLEANS - A taste of South Bend adds now to the flavor of this city of fine cuisine as it continues recovery from Katrina and FEMA.

The South Bend contribution enables two families left homeless by the hurricane four years ago to live finally in their own homes, homes on which they still pay off mortgages and strive to make improvements, but nice, new places beyond their dreams as they suffered from the storm and aftermath.



Inell Elders has never shopped at a Martin's Super Market, never been to South Bend. But she is aware that Martin's shoppers, tossing in dimes, quarters and dollars, raised \$5,000 that paid for furniture for her new home.

"Oh, yes, I know," Inell says. "I have a list of all the help.

It's overwhelming, breathtaking."

First on the list is Digger Phelps. The former Notre Dame basketball coach launched the South Bend effort, put in nearly \$200,000 of his own money and coordinated the effort to build the houses and find deserving families for home sites that would help in neighborhood restoration.

Inell and Alrich Elders and their sons were presented with the keys to their new home on Oct. 27 in a neighborhood where houses had literally been washed away.

"I cried and my heart was filled with joy," Inell relates, still showing emotion. "My husband actually got sick."

The first house built through the South Bend connection is occupied by Walter and Shirley Collins. They moved in just before Christmas two years ago.

"We'll be forever grateful," Shirley says. Grateful to Phelps. "Digger is family," she says. "He reached out to us." Grateful to others in South Bend who helped with the effort to build the two houses, including South Bend Rotary and the faculty of Notre Dame's Mendoza College of Business, where \$22,000 was raised.

Grateful to be alive.

She and Walter saw people die as rescue efforts floundered.

They thought they might die. And at one point, neither knew whether the other was alive.

Since they had a two-story house, they took in neighbors from single-story homes as flood waters raged.

There were about 20 in all seeking refuge in the high points of the house.

"One neighbor had a boat," Walter says, "so they started taking people out, women and children first."

And so Walter and Shirley were separated, ending up in different locations. For days, they had no contact. Neither knew whether the other had survived.

Finally, Walter was able to get his cell phone recharged. He called Shirley's number, hoping that she and her phone also would be alive.

She answered.

"I'm in Houston," he told her.

The startled reply: "I'm in Houston, too."

They were only a short distance apart.

And now they are back in New Orleans, in a home again, both employed, a "must" among the requirements Phelps listed in asking Rev. Joseph Doyle, president of St. Augustine High School, to find the right families, families that could be counted on to keep up payments on a \$30,000 mortgage and keep up the property.

The Collins family already has added substantially to the value of the house, with beautiful landscaping and fencing and enclosing a deck to add another room.

Glenn Smith, whose family owns a hotel and other enterprises in New Orleans, tells of how Phelps, a friend, contacted him to supervise the construction.

"I lost my own house in Katrina," Smith says. "And then Digger says he wants me to build a house for a needy family. How do you tell Digger Phelps 'no'? You can't."

Phelps initially was motivated to find help in South Bend for New Orleans because two players from New Orleans came to South Bend to help him on the basketball court at Notre Dame - Tim Singleton and Donald Royal. He kept in touch and found that Singleton lost almost everything in Katrina, while Royal escaped severe damage.

Back when he was recruiting players in New Orleans, Phelps grew to love the city and its fine cuisine. He still takes frozen gumbo back when he visits. Now, Phelps is taking a taste of South Bend to New Orleans, to the continuing recovery effort. ❖

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



Fran Quigley, Indianapolis Star: Fran Quigley, Indianapolis Star: Socialized medicine? Fine by me. I also support socialized law enforcement. It makes perfect sense that we have our police paid for by our taxes and equally responsive and available to all of us. I appreciate the fact that there is no for-profit security force deciding that a pre-existing robbery forfeits my ability to call 911 in an emergency. Same goes for fire protection, sewer services and road maintenance. All socialized, all working well, especially considering the every-man-for-himself alternative. Socialized libraries and parks seem pretty popular, too. There have certainly been efforts to transform government functions into for-profit ventures, but the investments in privatization have yielded more debacles than dividends. The security contractor Blackwater Worldwide, now known as Xe Services, stands accused of bribing Iraqi officials in 2007 after the company's employees killed 17 Iraqi civilians. In Indiana, Gov. Mitch Daniels canceled IBM's billion-dollar welfare privatization contract after evidence piled up that the company and its subcontractors, including Affiliated Computer Services, thoroughly botched eligibility determinations and benefits management. It is enough to cause Ayn Rand to run into the arms of Eugene V. Debs.

Doug Ross, Times of Northwest Indiana: Handicapping U.S. Sen. Evan Bayh's vote on health care reform is a full-time job. Bayh, D-Ind., has been dropping conflicting hints about his vote. He's trying to cast himself as a moderate, especially on fiscal issues. Bayh spokesman Eric Kleiman dropped me a note last week to make sure I saw Bayh's op-ed, published by CNN, on the national debt ceiling. Thanks, Eric, but what am I supposed to read in these tea leaves? All those years on the Senate Banking Committee have taught the senator a thing or two about fiscal prudence and the weight of the \$12.1 trillion debt ceiling. "If you divided the debt equally among all Americans, every man, woman and child living in the United States today would owe more than \$39,000," Bayh wrote for CNN. "The bigger our deficits, the fewer resources we have to make critical investments in energy, education, health care and tax relief for small businesses and middle-class families," he wrote. That means Bayh will oppose the costly health care reform, right? Not so fast. Political analyst Brian Howey, whose column appears Sundays in The Times, quotes Bayh as saying about the Patient Protection and Affordable Care Act, "I am reserving judgment until I've had a chance to fully analyze the proposal and see how it is changed in the coming weeks. I'm encouraged that the nonpartisan Congressional Budget Office says this bill will reduce the federal budget by \$127 billion over the next 10 years and as much as \$650 billion in the years beyond." That's surely a good sign he will vote for it, right? Maybe. His vote last

weekend to let the legislation go forward without a Republican filibuster might be a better sign.



Sylvia Smith, Fort Wayne Journal Gazette: Getting Congress to do its fiscal job is the equivalent of making a child sit at the kitchen table until all his broccoli is eaten. Sen. Evan Bayh doesn't describe it precisely like that. But the idea of creating a commission and forcing Congress to accept or reject all its recommendations has as much drama on Capitol Hill as the reluctant broccoli-eater at the family dinner table. Bayh calls it "institutional insurrection." He and others say that people whose jobs are often dependent on the favors they do for people or groups don't have the willpower to say no. In this case, we're talking about members of Congress whose re-elections hinge on the whims of voters, making lawmakers too susceptible to the what-have-you-done-for-me-lately concerns of blocs of voters. What it takes to cut through this, Bayh and others say, is a commission whose list of spending cuts and tax increases would have to be supported or rejected in toto without being picked apart with amendments, side deals and other aspects of the way Congress copes with difficult issues. According to Sen. Joe Lieberman: "We have to start saying 'no.' As an institution, we are incapable of it." The reasons to say "yes" to more conservative government spending are legion, Bayh and others say: a \$1.4 trillion deficit; indebtedness to foreign governments; and the financial burden on future generations. But the reasons not to say "no" are endless: two expensive wars; millions of Americans without health insurance; pressure to reduce taxes; highways and bridges that need repair; promises to veterans; and promises to retirees.

Rich James, Post-Tribune: I'm thankful: That the nation is pulling itself out of the recession. For fly rods and blue gills. For the comfort in knowing President Obama will fulfill his pledge to get our military out of combat -- sooner than later. That George W. Bush never again can be president. That there are at least some people with a vision in Porter County -- The County of No. That Tom Crean has what it takes to lead Indiana University back to among basketball's elite. That Lake County Sheriff Roy Dominguez has caught the attention of downstate politicians as he explores a candidacy for governor. For steak and wine. That I wasn't born a Republican. That I haven't sold my soul and become an Indianapolis Colts fan just because the beloved Chicago Bears are struggling. For Rush Limbaugh and Glenn Beck who daily remind us how misguided and desperate Republicans can be. That I live in a blue state. That Republican Richard Lugar and Democrats Pete Visclosky and Evan Bayh represent me in Congress. ❖



Bayh backing Obama on Afghan surge

WASHINGTON - Sen. Evan Bayh, D-Ind., pushed back Wednesday against criticism from Democrats who think the surge in Afghanistan is wrong and Republicans who said it's foolish to announce when a troop withdrawal will begin (Smith, Fort Wayne Journal Gazette). Bayh asked the final questions during a nearly four-hour hearing that saw Defense Secretary Robert Gates, Secretary of State Hillary Rodham Clinton and Michael Mullen, chairman of the Joint Chiefs of Staff, defending the policy President Obama announced Tuesday. Bayh said the surge strategy would "maximize the chances for success" and establishing a date that the U.S. would begin to withdraw keeps the Afghan government's feet to the fire. "By having an exit policy in place," he said, "I think we say to them: 'We are with you, but only so long as you do your part.'" Bayh also said criticism from Sen. John McCain, R-Ariz., and others who faulted Obama for saying withdrawal would start in July 2011 was misplaced. "I personally don't find it incompatible to have a deadline that we aspire to meet, that we do everything to meet, that we expect to meet, but at the same time, of course, take into account changes in facts on the ground that may occur in the next year and a half," Bayh said.



Iraq Guardsman's home burns

CEDAR LAKE - Annie Rekitzke is happy her four children were staying with her parents early Wednesday when considering the burned out

wreckage that was her home (Times of Northwest Indiana). "The four most important things in my life are fine," the Cedar Lake resident said Wednesday afternoon. "My babies were good." Her husband, Christopher Rekitzke, also was safe from the blaze but not from other danger. He has been deployed in Iraq for the past six months with the Army National Guard. Among the most tragic parts of the fire that destroyed Annie Rekitzke's home was the loss of the family's six-year-old Labrador, Pudge, two family cats and thousands of photographs of her children.

Schools will receive letter grades

INDIANAPOLIS - Indiana schools could be graded just like their students under a proposal moved forward by the State Board of Education on Wednesday (Kelly, Fort Wayne Journal Gazette). The board voted to begin a rule-making process that could end in assigning letter grades to schools instead of more benign category names. Since 2006, a formula using performance on the most recent accountability test and improvement over one or two years determines in which of five categories a school is placed. The categories are exemplary progress, commendable progress, academic progress, academic watch or academic probation. Jeff Zaring, state board administrator, reported that Florida has seen vast improvement since moving to a system of letter grades - A, B, C, D and F - in 1999. "Florida schools met the challenge of increased standards and letter grades," Zaring said in a Department of Education memo to the board. "There is no reason to believe Indiana schools will not do the same." Tony Bennett, Indiana superintendent of public instruction, is pushing the move as a way to bring transparency and clarity to the system. "I would love to have a statewide system of accountability that means something and that people

understand," he said.

Brizzi owned stock in Durham firm

INDIANAPOLIS - The Securities and Exchange Commission has joined a widening investigation into Indianapolis businessman Timothy S. Durham, the flamboyant and well-connected entrepreneur whose offices were raided last week by the FBI (Indianapolis Star). The SEC's enforcement division has subpoenaed the financial records of CLST Holdings Inc., a Dallas company for which Durham serves as a board member, the company disclosed in a filing Tuesday. Among the investors in CLST Holdings is Marion County Prosecutor Carl Brizzi, a close friend of Durham's. Brizzi has disclosed in several recent financial filings, dating to 2006, that he has owned more than \$10,000 worth of stock in CLST, formerly known as CellStar. The company operated for years as one of the nation's largest wholesalers of cell phones before it sold its operations in 2007. Brizzi declined to say why he bought the stock or how many shares he owns. He also declined to answer a question about whether Durham, a major investor in CellStar, had recommended the stock to him. Brizzi said that he bought stock before Durham was elected a director of the company in 2007. There is no indication Brizzi is under investigation by federal authorities. Brizzi emphasized he has no financial connections to Durham. "To my knowledge, neither Tim Durham, nor any of his companies are investors in any business I own or in which I am an investor. I have no investments with Tim Durham," Brizzi said in a statement.

Bayh, Lugar cool to war surtax

WASHINGTON - Indiana's senators have expressed concern about the nation's growing debt and



how to pay for military operations in Afghanistan. But neither Sen. Richard Lugar, a Republican, nor Sen. Evan Bayh, a Democrat, supports a proposed surtax to pay for the war (Indianapolis Star). "I don't think it's a good idea," Bayh told Fox News Sunday. "You need to provide for the nation's security regardless of your financial situation, and there's no bigger deficit hawk in Congress than I am." Lugar told CNN on Sunday that Congress "may wish to discuss higher taxes" to pay for the war in Afghanistan, but he doesn't back that approach. "We're going to have to have a serious talk about (the) budget and about the \$1 trillion deficit we are in now and will continue to be in," Lugar said. "And if we were talking about several years of time (in Afghanistan), how many more years beyond that? What is the capacity of our country to finance this particular type of situation, as opposed to other ways of fighting al-Qaida and the war against terror?"

CJ's law passes House with Ellsworth's help

WASHINGTON - The U.S. House of Representatives on Wednesday unanimously passed a bill sponsored by Rep. Brad Ellsworth, D-Ind., to require all manufactured and mobile homes to be equipped with emergency weather radios (. The bill, C.J.'s Home Protection Act, is named for 2-year-old C.J. Martin, one of 25 people killed Nov. 6, 2005, when a tornado slammed into Eastbrook Mobile Home Park on Evansville's East Side and moved into neighboring Warrick County. At the time, Ellsworth was the Vanderburgh County sheriff and worked in the emergency response efforts. "The unanimous support C.J.'s bill received today is based on the recognition that a little thing can make a big difference when it comes to the public's safety," Ellsworth said on the House floor after Wednesday's vote. "That if it prevents just one mother from losing her son, a

\$30 weather radio is not too much to ask."

Oxley pleads guilty for impersonation

INDIANAPOLIS - Last year's Democratic candidate for Indiana lieutenant governor has pleaded guilty to charges that he misrepresented himself as a state legislator (Indianapolis Star). Former state Rep. Dennie Oxley II pleaded guilty to the misdemeanor charge during a court hearing today in Indianapolis. Police said Oxley claimed in June that he was a current lawmaker to avoid arrest for public intoxication after he was found drunk about 1 a.m. with a 21-year-old legislative intern at a downtown gas station. Oxley is from the southern Indiana town of English and served 10 years in the Indiana House before not seeking re-election last year as he became gubernatorial candidate Jill Long Thompson's running mate. A judge gave Oxley a 1-year jail sentence, suspending all but two days, which he has already served. After Wednesday's hearing, Marion County prosecutor's office spokesman Mario Massillamany said he believed Oxley pleaded guilty because he realized he couldn't successfully fight the charge (Louisville Courier-Journal). "He wanted to avoid any further embarrassment by resolving this case as quickly as possible," Massillamany said. But Oxley's attorney, Richard Kammen, said that wasn't the case. He said his client entered the plea only because he wants to spend as much time as possible with his 60-year-old father, state Rep. Dennie Oxley, D-Taswell, who was hospitalized in November after going into cardiac arrest.

3 indicted in Chesterfield thefts

CHESTERFIELD - Criminal charges have been filed in federal court against four men allegedly involved in stealing more than \$259,000

from town funds (Anderson Herald-Bulletin). Three town employees and one Anderson man who claimed to provide the town with his services have been indicted by a federal grand jury for theft. Indictments came through the U.S. District Court for Southern Indiana in Indianapolis. Former Chesterfield Town Marshal James Kimm, former Clerk-Treasurer Christopher Parrish and former part-time police officer Joseph Brown were the town officials named in the indictment. Anderson resident Willard Felts also faces one count of theft for allegedly accepting payment for services he never provided the town.

Blumenberg alleges state 'conspiracy'

GARY - The Calumet Township assessor said state officials are conspiring to remove him from office (Dolan, Times of Northwest Indiana). "I've been around awhile, perhaps too long, and this is as political as I've seen it," Assessor Booker Blumenberg wrote Wednesday in response to an attack on his office by Timothy J. Rushenberger, commissioner of the Indiana Department of Local Government Finance.

Mittal pile will be disposed

BURNS HARBOR -A large part of the informational meeting and public hearing on ArcelorMittal's landfill application focused on a pile of waste dumped in the northeast corner of the site and dubbed "Easterly's pile" after the head of the state's environmental agency, the Indiana Department of Environmental Management. State officials previously denied that the pile would be landfilled, but said Wednesday that it would.