



Hostettler returns; Sodrel next?

Former GOP congressmen alter Senate, 9th CD landscapes

By BRIAN A. HOWEY
INDIANAPOLIS - Sarah Palin considers herself a maverick. But when she appeared in Evansville last spring, she didn't realize that a real, true maverick lived at nearby Blairsville in Posey County.

Former Congressman John Hostettler re-emerged from political isolation a week ago, announcing in a YouTube video that he would seek the Republican nomination to challenge U.S. Sen. Evan Bayh. His entry completely alters the Republican primary that up to this point includes State Sen. Marlin Stutzman (previously the presumed frontrunner), Carmel plumber and Tea Party activist Richard Behney, and Winchester financier Don Bates Jr.



Former Indiana congressmen John Hostettler (left) and Mike Sodrel, talk at the 9th CD Christmas Party in Scottsburg last Saturday night. Hostettler will seek to challenge U.S. Rep. Evan Bayh. Sodrel will announce his political plans in the next few days. (Hoosier Pundit Blog Photo)

Hostettler's former colleague - former congressman Mike Sodrel, told HPI he will announce "in the next few days" whether he will enter the 9th CD race (See Horse Race, Page 7). When Hostettler appeared

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Obama vs. Obama

By DAVID M. McINTOSH
WASHINGTON - What President Obama giveth with one hand, he taketh away with the other.



This week the President offered up new tax cuts and loans for small businesses in an effort to reverse the unemployment spiral. Next week he plans to jet off to Copenhagen to sign up for a new international global warming agreement that by all measures will destroy more American jobs than his jobs proposal would create.

In Indiana alone economists estimate that any real effort to reduce greenhouse gases will cost us 60,000



“The most profound issue surrounding my receipt of this prize is the fact that I am commander in chief of the military of a nation in the midst of two wars.”
- **PRESIDENT OBAMA,**
accepting the Nobel Peace Prize today



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jobs. That's on top of the unemployment caused by the collapse of the auto industry and the economic recession.

To lay the groundwork for Copenhagen summit, the President authorized the EPA to declare that carbon dioxide (CO2) gas is a major pollutant that should now be regulated under the Clean Air Act. Ironically, EPA's action now means that each one of us – every living, breathing person – is now a "polluter." That's because we exhale ¾ tons of CO2 every year just to stay alive – more if you follow your doctor's orders and exercise regularly.

Why would EPA make this staggering move? Its main effect is to give extreme environmental lawyers a tool to stop development, especially manufacturing. The goal is to further regulate manufacturing, electricity generation, the type of cars we drive, the way we heat our homes, farming, and virtually every aspect of modern life in order to make them so expensive that Americans have less energy. The Clean Air Act amounts to a huge regulatory tax on energy production and use – whether that's gasoline we use to drive to work, heating oil in our furnaces, or coal mined in Southern Indiana that keeps Hoosiers' electricity rates lower than most areas of the Midwest and the East and West Coasts. Regulating CO2 is bad for Hoosier agriculture as well. The cost of growing an acre of corn or soybeans will certainly increase with higher energy costs and more CO2 is better for increasing yields.

So in addition to fewer jobs, we'll all be paying more for almost everything. Electricity bills are projected to increase 60 percent, gas prices will go up another 25 percent, and natural gas prices will be 80 percent higher.

On top of that, the Clean Air Act doesn't really work. When I taught at Ball State I routinely took my students on a tour of the old coal-fired power plant that heats the campus. The operators explained to the stu-

dents how they would like to update the old boilers – to make them more efficient and better for the environment. But the kicker was that Clean Air regulations effectively prohibited those types of upgrades because of all the paperwork, studies, and red tape that make it so expensive to change from the old technology.

The real reason that President Obama has taken the first step in regulating CO2 is that he needs a boost as he travels to Copenhagen. The international crowd pushing the U.S. to sign onto agreements like the Kyoto Accord has egg on its face because recently leaked e-mails show that they have been manipulating the data to scare us into fearing climate change. (You may remember Al Gore's science fiction movie about the end of life as we know it we don't act now.) The leaked e-mails show that the real data doesn't really show anything like that. So to make sure we don't focus on the facts, the global warming advocates are looking to President Obama to jump start the international negotiations.

Interestingly, it is the Chinese who have put the most reasonable proposal on the table. Rather than arbitrary limits on CO2 and other global warming gases, they have suggested that each country should reduce CO2 in relationship to the growth of its economy.

In other words make progress on global warming, but do it in a way that keeps the economy going and allows it to create jobs. This approach is in our interest too.

Rather than new job-killing EPA regulations and more lawsuits, the President should stay focused on creating jobs. America needs economic recovery – without sacrificing the new jobs on the altar of global warming. ❖

McIntosh is a former Republican Indiana congressman practicing law in Washington.



Hostettler, from page 1

with former colleague Mike Sodrel at a 9th CD Christmas Party in Scottsburg last Saturday, a GOP source told HPI, "Hostettler was very well received. Marlin is a nice guy but doesn't seem to have the stature to make such a big jump."

The source said that Hostettler "is a game changer" and a "kindred spirit with the Tea Party" movement.

"**Few candidates in the state** embody the principles and ideals of the Tea Party movement better than John Hostettler," noted Vanderburgh County Republican treasurer Joshua Claybourn. "He is staunchly small government and passionately loyal to the Constitution, even when that means bucking party establishment. This kind of candidate - with a proven track record of voting that way - will be particularly appealing to conservative foot soldiers this spring."

The fact is that Hostettler is no darling of the GOP ruling establishment. He was a headache for the Republican National Campaign Committee for his unwillingness to raise the copious amounts of money that often ward off Democratic challengers, refusing to accept PAC money. The NRCC too often felt it had to come in and prop up the weakly funded Hostettler campaigns.

In many Republican circles, Hostettler's 2006 campaign was seen as a collapse. Multiple credible Republican sources in Evansville tell HPI that by October, Hostettler had essentially given up. He had spent much of August and September hosting town halls on illegal immigration issues in multiple states. He raised only \$450,000 and lost in a 61-39 percent landslide to Democrat U.S. Rep. Brad Ellsworth.

"**There was indeed a** general sense that Hostettler gave up on the last campaign," an informed and reliable Evansville Republican source tells HPI. "Some may argue that this occurred because the writing was on the wall with respect to his re-election chances, but I think a significant part of it resulted from his disillusionment with the Republican Party."

This partly came with Hostettler's "disillusionment" with the Iraq War, where he was one of only six Republicans to vote against it in October 2002 while Democrats like U.S. Sen. Evan Bayh and U.S. Rep. Baron Hill voted aye. Hill would later complain that he had been deceived by the Bush-Cheney White House on the exaggerated threat.

"Hostettler felt like a lone wolf," the Evansville source said. "It was difficult for him to campaign for a

larger cause because his cause didn't seem to line up with with Bush's. Indeed, I sometimes got the sense that part of him felt as though the Republican party deserved to be punished for its proverbial sins."

During the 2008 presidential race, Hostettler supported Chuck Baldwin of the Constitution Party instead of Republican nominee John McCain.

His anti-illegal immigrant stance in 2006, also embraced by U.S. Reps. Mike Sodrel and Chris Chocola, carried a steep political price for the GOP. Not only did all three lose re-election bids that year, but in the 2008 presidential election President Obama carried 77 percent of the Latino vote in Indiana. It is the fastest growing demographic in the state.

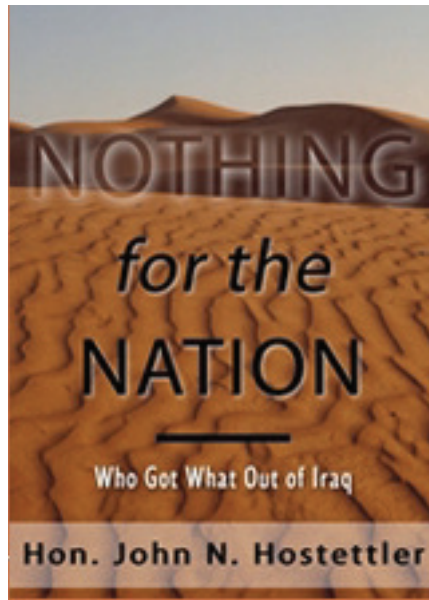
Hostettler wrote the book "Nothing for the Nation: Who Got What Out of Iraq" in 2008, which was characterized as written by the former congressman "who got it right before the beginning."

In a House floor speech before the Iraq resolution, Hostettler said, "The question before us today is 'Will the House of Representatives vote to initiate war on another sovereign nation?' Today, a novel case is being made that the best defense is a good offense. But is this the power that the framers of the Constitution meant to pass down to their posterity when they sought to secure for us the blessings of liberty? Did they suggest that mothers and fathers would be required by this august body to give up sons and daughters because of the possibility of future aggression? Mr. Speaker, I humbly submit that they did not."

Hostettler concluded, "We should not turn our back today on millennia of wisdom by proposing to send America's beautiful sons and daughters into harm's

way for what might be. We are told that Saddam Hussein might have a nuclear weapon; he might use a weapon of mass destruction against the United States or our interests overseas; or he might give such weapons to al Qaeda or another terrorist organization. But based on the best of our intelligence information, none of these things have happened. The evidence supporting what might be is tenuous, at best. Accordingly, Mr. Speaker, I must conclude that Iraq indeed poses a threat, but it does not pose an imminent threat that justifies a preemptive military strike at this time. War should be waged by necessity, and I do not believe that such necessity is at hand at this time."

Since his loss to Ellsworth, Hostettler has created Publius House LLC to publish the book, but didn't keep in touch with party leaders. Earlier this fall when HPI talked to Vanderburgh Republican chairman Nick Hermann, the





chair was asked if Hostettler might seek a rematch with Ellsworth. Hermann said he hadn't heard from Hostettler. A congressional level Republican told HPI that Hostettler had touched base a few weeks ago, attempting to gauge who was interested in challenging Sen. Bayh while not disclosing his own intentions.

Indiana Republican Party officials got word of Hostettler's Senate bid less than an hour before the YouTube video hit the Internet.

A 9th CD Republican source tells HPI that Hostettler's 2006 campaign will not hurt the former congressman outside the party hierarchy. "I don't think they care a thing about past campaigns," the source said. "They care about people who will make a stand for their country and not be afraid to buck the establishment to do it."

The 9th CD source described Hostettler and Sodrel as kindred spirits, "known for doing what they think is right without letting party politics or partisan wishes from the top make a difference in their decisions. They are like the tea party patriots - more interested in God and country than their political party." Both have written books.

The Evansville Republican source, who spoke only on condition of anonymity, added, "His supporters are zealously passionate about him and his cause, and likewise, his detractors detest him with equal vigor."

The National Review Online's Jim Geraghty observed, "It's hard to see a scenario in which Bayh isn't re-elected, but . . . the mood in the country is strongly anti-incumbent and increasingly anti-Democrat. Ordinarily, a high-profile, well-known, and generally well-liked incumbent like Bayh doesn't have to break a sweat; 2010 might be a year where he has to sweat some."

Hostettler enters the Republican Senate nomination race with a regional base, a large following among the influential Right to Life movement, 2nd amendment advocates (Hostettler was arrested in 2004 at a Louisville airport for having a loaded 9 mm Glock pistol in his luggage) and much greater name ID, particularly in Southern Indiana.

The rest of the field has nothing approaching these assets and have raised less than \$160,000 combined, according to October's Federal Election Commission report.

As for Sen. Bayh, who has been pressured by the Moveon.org wing of the party to support the health reforms, and has taken heat from the anti-war wing of the party still upset with his 2002 war resolution vote, Hostettler poses some interesting challenges.

Hostettler won't raise anything close to the \$13 million Bayh has in his war chest, but can use Bayh's money against him, similar to how Greg Ballard used Indianapolis Mayor Bart Peterson's financial advantage in his favor.

Hostettler will certainly seek to tie Bayh to Obama.

He will seek to tap into the Tea Party movement and exploit the anti-incumbency wave sweeping the state.

If nothing else, a Bayh-Hostettler race will make for interesting political theater. A lightning strike is simply something that can't be accurately forecast. ❖

Hostettler hopes another wave defeats Sen. Bayh

By **CHRIS SAUTTER**

WASHINGTON - Lee Hamilton is fond of saying that any fool running as a Democrat could have won in 1964, the year of LBJ's landslide win over Barry Goldwater and the year Hamilton was first elected to Congress. And, he adds, there were a few who did.

The same could be said about Republicans running in 1994, and more than a couple of observers point to John Hostettler's victory in Indiana's 8th as proof. Indeed, in 1995 Hostettler was ranked 5th on a list of "The Ten Most Dimwitted Members of Congress," beating out Bob Dornan and Sonny Bono, among others.



Chris Sautter
Column

Voters usually correct their mistakes by weeding out the fools the next

election. Yet, Hostettler won five more times in a district that had been considered one of the most volatile in the country, making a case that no fool could be so lucky. When I ran into two well-known and respected Hoosier Republicans on Capitol Hill last week the day after Hostettler announced his campaign to unseat incumbent U.S. Sen. Evan Bayh, the word they used to describe Hostettler was not "fool" or "dim," but "crazy." Yet rather than crazy, Hostettler's latest move seems perfectly calculated. He has chosen to launch his comeback just as the "tea party" movement is organizing to channel money and supporters to conservative candidates like Hostettler for 2010, an election that some observers believe is shaping up as a rerun of 1994.

Hostettler was a part of the 1994 "Republican Revolution" that won 54 seats in the U.S. House of Representatives, gaining control for the first time since the early 1950's. Hostettler defeated six-term incumbent Frank McCloskey who up until that election had an uncanny ability to pull victory from the jaws of defeat. Before the 1994 wave, McCloskey had won 9 straight elections, including three for mayor of Bloomington. But Hostettler ran an aggressive campaign against a McCloskey who was distracted



by the War in Bosnia. Hostettler went on to beat Jonathan Weinzapfel and Gail Riecken before squeaking past three forgettable candidates. Hostettler's streak ended in 2006 when popular Vanderburgh County Sheriff Brad Ellsworth coasted past the incumbent.

Hostettler's MO was to win the turn-out game by mobilizing anti-abortion voters and Christian conservatives in the off-year elections and ride the usually reliable Republican tide in Indiana in the presidential year elections. His campaigns were aggressive and nasty. He employed whatever tactics were necessary to render his opponents unelectable to independent voters and conservative Democrats. His campaign operatives were usually first-rate, especially in the early years. But his refusal to accept PAC money, a popular stand with voters, left his campaigns chronically underfunded.

Hostettler also had a tendency to put his foot in his mouth and cast principled votes in Congress that put him at odds with his constituents. He is probably best remembered nationally for attempting to bring a loaded handgun onto an airplane at Louisville airport. Once in explaining his opposition to gun control to a group of high school students, he suggested the 2nd Amendment gave ordinary citizens the right to own nuclear weapons. But his vote against Hurricane Katrina relief just two months before southern Indiana itself needed disaster relief to cleanup and rebuild parts of southern Indiana destroyed by a tornado probably hurt him more with 8th district voters.

Still Hostettler brings a committed base of support and strong conservative credentials to a 2010 election in which conservators are beginning to surge. Scandals on Capitol Hill have fueled a rise in distrust and distain for Congress and political elites. Entrenched incumbents like Seattle Mayor Greg Nichols and Nassau County Executive Tom Suozzi went down to defeat this past election, while New York Mayor Michael Bloomberg barely dodged the bullet. For Hostettler, it must feel like déjà vu all over again.

Meanwhile, Sen. Bayh faces a re-election campaign on the heels of an aborted presidential run and narrowly missing out as Barack Obama's vice presidential choice. Bayh has not had a close election since his first race for governor in 1988. He has built his broad popu-

larity by projecting a moderate profile and avoiding controversial stands. After considering retirement, Bayh is taking re-election seriously. During the run-up to the 2008 presidential race, Bayh voted 91 percent with his party. But this year, Bayh is the most conservative Democrat in the Senate, voting with the majority just 72 percent of the time. His vote this week in support of an anti-abortion amendment to the health care reform bill is an indication of how seriously he is taking this election. (Washington Post

reporter Chris Cillizza writes the vote is also a sign he has given up on his dream of winning the presidency). But perhaps most importantly, Bayh will have in excess of \$12 million to help him define the race and overcome a growing anti-incumbent sentiment.

While Hostettler is almost certain to receive conservative support—perhaps even from former Indiana Congressman Chris Chocola's Club for Growth, he may also benefit from liberals unhappy with Bayh's move to the right. But whether or not the 2010 US Senate race becomes truly competitive depends upon two factors. First, will the anti-incumbent tide rise high enough to put Bayh's re-election

chances in jeopardy? Secondly, can Hostettler overcome his reputation for being a right-wing nut?

Bayh, whose favorability ratings are in the 60th percentile, has a long way to fall before he can be considered in trouble. But political wave years have a way of surprising even the best of incumbents (e.g., Lee Hamilton narrowly averted defeat in 1994). Republicans claim the bottom could fall out on Bayh if the tide turns out to be as high as in 1994. And Hostettler could be surprisingly effective in painting Bayh as a part of the problem in Washington. He won't hesitate to point to Susan Bayh's membership on various corporate boards as an example of the cozy way in which Washington works.

But even should Hoosier voters be willing to consider a Republican U.S. Senate candidate over Evan Bayh in 2010, are they willing to vote for one who some Republicans believe is "crazy?" ❖



Former Indiana congressmen John Hostettler speaks at an 8th CD church, part of a network he used to win five elections in the volatile "bloody 8th." (Hostettler photo)

Sautter runs a political communicatins firm in Washington, specializing in election recounts for Democrats.



Thoughts on the health end game

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – At this writing, the Democrats in the U.S. Senate appear to have forged a compromise on the health reforms. The public option is kaput, but folks between age 55 and 64 will have access to Medicare.

Medicare is part of the “socialized” health coverage that the people who have it don’t want to give up, but many Republicans want to deny the rest of us who work for ourselves or have the gall to have a preexisting condition.

David Brooks, conservative columnist for the New York Times, cast the health reforms as a “values question” for America.

He wrote last week, “The bottom line is that we face a brutal choice. Reform would make us a more decent society, but also a less vibrant one. It would ease the anxiety of mil-

lions at the cost of future growth. It would heal a wound in the social fabric while piling another expensive and untouchable promise on top of the many such promises we’ve already made. America would be a less youthful, ragged and unforgiving nation, and a more middle-aged, civilized and sedate one.”

I beg to differ.

At a friend’s party last week, the conversation turned to health care reform. The guests were mainly entrepreneurial-types whose ideologies were scattered across the political spectrum. When I brought up the notion of a more “middle-aged, civilized and sedate” society, there rose a clamor. Just about every person in the room had a spouse or a significant other who at some point had stayed in a less than desirable job simply to maintain the family health benefits. Sometimes they did so for years or were begrudgingly still employed there.

One of my friends put on his John Lennon hat and said, “Imagine what we could have done if we had been able to pursue what we really wanted to do, not what we had to do.”

What we’ve witnessed over the past 11 months with this debate on health reforms is one of the worst displays of fear mongering. And it was amazing to watch the Republicans decide that their political prospects in the 2010 elections were more important than solving a set of problems that have bankrupted millions of sick Americans, while denying tens of millions more people health coverage in what is the richest, most innovative nation in the

history of mankind. Or that they would side with an insurance industry more interested in maintaining the status quo (and their massive profits) at the expense of families and small businesses stooping under the weight of relentlessly increasing health costs.

What has occurred with the health reform and Cap-and-Trade issues is a widening polarization of politics. We’ve all seen the problems: Families are going bankrupt and the glaciers and ice caps are melting. We have in the President a politician who vowed to tackle the seemingly unsolvable issues just a year ago. We have the entire loyal opposition, which isn’t even at the table when the final reforms are forged.

I’m not an economist and just trying to make sense out of what may be valid concerns. Gov. Daniels is warning Sens. Evan Bayh and Dick Lugar that the current bills could cost Indiana billions in new Medicaid costs. There have been dueling reports and studies on both sides where the intent and facts are murky.

I’ve been amazed at the number of politicians who will tell us with great certainty what the harrowing impact of the reforms will be without even knowing what will actually be in the final bill when it hits President Obama’s desk.

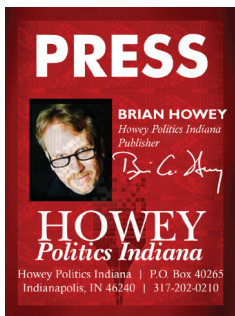
I’m generally an optimistic soul. I tend to believe that when we elect a new president or governor, they ought to have a shot at getting their programs passed. The input is vital from all sides. They can stand for re-election on the merits of their decisions.

The real leadership of President Obama must come when a bill passes the Senate. Both the House and Senate versions – flawed as they are – will then go through the conference process where further changes will come. Even if President Obama signs such a bill, there will inevitably be tweaks and even some major corrections.

I recalled Robert Kuttner’s book “Obama’s Challenge: America’s Economic Crisis and the Power of a Transformative Presidency,” who lists Lincoln, FDR, LBJ and Reagan as presidents who fit the category. “By appealing to what was most noble in the American spirit,” Kuttner observes, “these presidents energized movements for change, and thereby put pressure on themselves and on the Congress to move far beyond what was deemed conceivable.”

Folks, in these dark days, with a brooding winter setting in and a lot of pain in American homes, I hope the reformers in Washington stay the course. The past still appears worse to me than the fears brought forth by the stasists in our midst.

Howey publishes at www.howeypolitics.com





Sodrel tells HPI decision coming; Bayh pondered retirement

By **BRIAN A. HOWEY**

INDIANAPOLIS - Former Congressman Mike Sodrel says he will declare his intentions for the 9th CD "in the next few days."



In an e-mail to Howey Politics Indiana on Wednesday, Sodrel explained, "That announcement will include the 'why.'"

Several influential 9th CD Republicans tell HPI they expect Sodrel to run. If so, it will be his fifth race, winning in 2004 while losing to U.S. Rep. Baron Hill in

2002, 2006 and 2008. As one high ranking Republican explained of Sodrel's appearance at the 9th CD Christmas party in Scottsburg last Saturday, "Mike wasn't there for the eggnog."

Or as Sodrel put it, "I'm really not very fond of eggnog."

As for the Tea Party movement that Sodrel supported with an appearance in Corydon last month, Sodrel explained, "I sincerely hope that the Tea Party influence is felt in political races nationwide. If the Tea Party is able to agree on a platform, remain independent of either party, stay out of primaries, and support the general election candidate that best represents their platform, they could bring America back from the brink of full fledged socialism."

Sodrel warned, "If they just compete as a third party, they will likely just split the conservative vote, and hand the election to the liberals. The good news is that not since the civil rights marches of the '60s have so many people been willing to stand up publicly for their liberty. If this energy can be channeled into positive efforts it could change American politics, and America, for the better."

Currently Todd Young of Bloomington is the most active Republican seeking the 9th CD nomination. Many party observers in the 9th agree that if Sodrel enters the race, he will be highly favored in a contested primary.

Bayh pondered retirement, says Cillizza

The Washington Post's Chris Cillizza posted on "The

Fix" blog Wednesday that U.S. Sen. Evan Bayh gave serious thought to retirement. "Senior Democratic officials acknowledge they were genuinely concerned he might step aside -- before ultimately deciding to seek a third term in 2010," Cillizza reported.

Cillizza explained that Bayh's fast political rise as a 30-year-old governor and a 40-year-old U.S senator "is both a blessing and a curse. Bayh, at his relatively young age (53), has achieved more than most politicians do in a lifetime but he also has already risen and fallen as a potential national candidate well before most politicians ever even begin to be talked about for those highest offices. All of which means that Bayh doesn't have an obvious next step in politics."

Cillizza added: Bayh will, as he has throughout his political life, coast to victory next November thanks to his popularity in the Hoosier state, the weakness of his Republican opponents and his massive -- \$13 million -- campaign war chest.

Bayh told the National Journal on Thursday that "the politics will work itself out" if he focuses on his job (Evansville Courier & Press). "I think (John Hostettler is) the fourth announced candidate in the other party, so I don't intend to be distracted by all that," the Democratic senator said.

Marion County prosecutor

Marion County Prosecutor Carl Brizzi said a decision on whether to seek a third term will come in the next 30 to 45 days.



Brizzi told WXNT's Abdul in the Morning, "Eventually we are going to have to make a decision." He said that politics is "not a vocation but an avocation" and added that he has "children growing up going to college. It's expensive to be a dad. We'll be talking about that in next 30 to 45 days."

Brizzi has been engulfed by the FBI and SEC investigations of Indianapolis financier Tim Durham over the past two weeks. Brizzi explained, "This incident, while it's not determinative, it plays a factor in the decision-making process. Do you want to be on the front page every day when there are other things you want to do?"

It stands to be a tough decision.

The Durham situation could play out for months, if not years, with the potential for a federal grand jury, subpoenas, an indictment, federal seizure of assets and a trial. Through it all, Brizzi's name will continually be linked to Durham.

The dynamic took a painful turn for Brizzi in



Wednesday's edition of the Indianapolis Star where columnist Matt Tully wrote a mocking "read between the lines" column about Brizzi after he released a letter to supporters on Facebook.

And on WTHR-TV Wednesday, reporter Chris Profitt asked Brizzi, "Did Durham loan you any money for any of these investments? Anything? No money from Fair or any of these other companies? No personal loans or anything like that?"

"Not that I can think of, no. To the best of my knowledge. I'd have to go back. I haven't explored any of that in terms of those stocks," Brizzi said.

Running a re-election campaign in a county where the demographics are piling up against Republicans - Brizzi won his 2006 race by just 6,000 votes - is tough enough without an ongoing story like the Durham probes.

Not seeking re-election is also a path fraught with political danger. Brizzi would no longer have a political base.

U.S. Senate

HOSTETTLER AS FRONTRUNNER: In the U.S. Senate race, former Congressman John Hostettler is the most likely frontrunner. He has a geographical base and will likely be well supported by pro life, family and 2nd Amendment groups. His political machine in the 8th CD was often considered one of the best in the state by HPI. But he and the other Republicans all face a daunting challenge: getting the 500 signatures in each CD to get on the ballot. In 2008 Jill Long Thompson barely qualified her gubernatorial campaign at the deadline and Sen. John Waterman failed to get it done. So let's see first who qualifies.

HPI senses there is little appetite from the Lugar and Daniels wings of the GOP to wage an expensive, uphill fight against Sen. Bayh. Clearly, Gov. Daniels' first priority is winning back the Indiana House and an expensive Senate race not only draws money away from this effort, but also gets the Bayh machine hitting on all cylinders. Until 2004, every time Bayh was on the ballot, Democrats picked up at least three House seats. The good news for Daniels about Hostettler is that he doesn't have a history of raising a lot of money.

Indianapolis mayoral

DAVIS SAID TO BE PONDERING RUN: There are rumblings that former Lt. Gov. Kathy Davis is taking a look at the Indianapolis mayoral race. At this point, Melina Kennedy has been announcing endorsements almost on a weekly basis and is the frontrunner. Last week Kennedy picked up the support of business leaders including Jeff Smulyan, Steven Crane, David Becker, J.A. Lacy, Gerry Richardson,

Jerry Jones, Billie Dragoo, Kevin Martin, Anne Nobles and David Barrett, president and CEO of Gene B. Glick Company. "After watching Melina's excellent work in growing the Indianapolis economy as deputy mayor for economic development, I trust in her leadership," said Smulyan.

Mayor Greg Ballard will almost certainly seek a second term. GOP operative Jennifer Hallowell has signed on to run his campaign and Jennifer Percy, a former legislative assistant to Sen. Brent Waltz, is running the finances.

2012 Presidential

DANIELS ON 'THE QUESTION:' Here's how Gov. Daniels answered the "are you running for president question" this past week: "This again! Well, listen, we've got our hands full here. It's very satisfying if we could keep building what we're doing in Indiana. I've got my mind on the business at hand, and that's a 24/7 job." Notice the word "no" was not included.

President Obama's job approval rating has fallen to 47 percent in the latest Gallup poll, the lowest ever recorded for any president at this point in his term (Fox News). Jimmy Carter, Gerald Ford and even Richard Nixon all had higher approval ratings at this point into their presidencies. Obama's immediate predecessor, President George W. Bush, had an approval rating of 86 percent, or 39 points higher than Obama at this stage. Bush's support came shortly after he launched the war in Afghanistan in response to the terror attacks of Sept. 11, 2001.

As President Barack Obama nears one year in office, Dick Cheney is predicting the Republican Party is in for a big 2010. "I think we'll pick up a lot of seats," the former vice president told Fox New's Sean Hannity Tuesday. "Prospects for the Republicans in 2010 are very good."

2012 Gubernatorial

CONSPICUOUS SKILLMAN: HPI couldn't help but notice that nearly half of the posters in the corridor between the Statehouse and Government Center North feature Lt. Gov. Becky Skillman.

MOURDOCK WINS STRAW POLL IN HOWARD CO.:

State Treasurer Richard Mourdock won a Howard County Republican Party straw poll regarding the 2012 gubernatorial race with 58 percent of the vote. The choices included Skillman, Mourdock, and Secretary of State Todd Rokita, among others. Skillman was second with 32 percent. U.S. Rep. Mike Pence had 1 percent. Frugal Hoosiers blog notes: For several months Democrats have declared Mourdock vulnerable because he dared defend Indiana pension holders from an Obama-endorsed raid of pension funds by the UAW during the Chrysler takeover. Howard County is



supposed to be ground zero for anti-Mourdock sentiment because of the Chrysler plant in Kokomo. It seems that Republicans get it and are standing firmly behind our state treasurer, who defended Hoosier taxpayers and state pensioners from an illegal takeover of the automotive industry.

Congress

2ND CD: DONNELLY SUPPORTS AFGHAN SURGE:

U.S. Rep. Joe Donnelly said President Barack Obama's timeline for troop withdrawal in Afghanistan is subject to review (Smith, Kokomo Tribune). After the speech, Donnelly, D-Granger, laid into critics of Obama's plan, which calls for 30,000 additional troops in Afghanistan by next spring, and a mid-2011 timetable to begin withdrawing U.S. troops. The president is also calling on allies to send an additional 10,000 troops, to help stabilize a region torn by a Taliban-led insurgency. "From 2001 to 2008, Afghanistan was starved for resources from our military," Donnelly said. "Many of the same people who are complaining today are the same ones who sat by when our troops didn't have enough help."

5TH CD: BURTON WORRIES ABOUT DEADLINE:

U.S. Rep. Dan Burton said he's worried the President is telegraphing a punch in Afghanistan (Kokomo Tribune). "The one thing that you never do is telegraph your punch," Burton said. "I can't imagine why the President is saying in his speech ... that he's going to start withdrawing our troops in July of 2011. Even if he plans to do that, he shouldn't say it, because he is telling our enemies exactly what we're going to do, and it's just wrong. Every military officer I've ever met will tell you the same thing."

Battle for the House

DANIELS RAISES \$150k FOR AIMING HIGHER:

Gov. Daniels raised \$150,000 for his Aiming Higher political action committee at a MayerBrown fundraiser in Chicago last Friday. That money will go to help fund some 25 to 30 House Republican campaigns in 2010.

REP. BATTLES ON REDISTRICTING:

On the redistricting front, State Rep. Kreg Battles, who chairs the House Elections Committee, told the Evansville Courier & Press that he's open to discussion of redistricting reforms espoused by Secretary of State Todd Rokita and Senate President Pro Tempore David Long. He said the idea of reforming the way Indiana's legislative districts are drawn "sounds great," but that working out the details - specifically if an independent commission is involved - could be trickier. "We all bring a bias," he said. "So how are you going to create an impartial committee? If this only means

changing partiality from one source to another, I don't see how anything's gained. But as far as the general concept, I think it's a good one."

HD62: UBELHOR TO CHALLENGE REP. BLANTON:

Republican Matt Ubelhor of Linton will challenge State Rep. Sandra Blanton, Mike Gentry of the House Republican Campaign Committee announced on Wednesday. HRCC tried to get Ubelhor to run in 2008, "but the timing was not right for him so we are obviously very pumped about his decision to run this cycle," Gentry said.

Ubelhor is an operations manager with Peabody Energy for the Viking and Miller Creek mines near Montgomery and Bicknell respectively. He started coal mining out of high school and has worked his way up to operations manager after 33 years. "HD 62 is one of our top five seats held by a Democrat in terms of GOP vote percent history," Gentry explained. "With such a high quality candidate that will attract independents in a Republican leaning district this one is no question instantly on the map."

HD67: FRYE DECLARES:

Republican Randy Frye of Decatur County announced he'll run for the House seat currently held by State Rep. Cleo Duncan, who is retiring. Frye is a first class firefighter and paramedic originally with the Washington Township Fire Department and now the Indianapolis Fire Department. In 1996 Frye received the Benjamin Franklin Award for service above and beyond the call of duty for coordinating a disaster relief effort to assist the victims of the North Ridge earthquake in Southern California. In January 2001 Frye purchased Blue River Telecommunications. In 2009 the company name was changed to Blue River Technology. Located in Decatur County, Blue River Technology provides services in IT, VOIP, telecommunications, video security, fiber optics, and data networking. Frye is backed by former Rush County Republican Chairs John McCane and JeanAnn Harcourt and Republican National Committeewoman Dee Dee Benkie.



SD39: LONG BACKING WATERMAN:

State Sen. John Waterman created a stir at the 2008 Indiana Republican Convention when he signaled he would run for governor as an independent. While he didn't qualify for the ballot, Waterman's move angered many Republicans and there was speculation that he would probably have a primary opponent in 2010. But reliable sources tell HPI that Senate President David Long has made it clear to SD39 county chairs that Waterman will have the full support and logistics of the Republican Senate Majority Caucus in the event of a primary challenge. ❖



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



Indiana needs lightning, not thunder

By **DAVE KITCHELL**

LOGANSPORT - When the College Football Hall of Fame announced earlier this year it would be moving out of South Bend, it should have been a wake-up call for the people known for waking up echoes.



The University of Notre Dame is searching for its fifth head football coach this decade, if you count one coaching hire that involved no wins and losses, but an overly inflated resume.

Charlie Weis has become the latest casualty of the legend that is Notre Dame football. An Irish alum, Weis leaves South Bend just as his predecessor, Ty Willingham, did five years ago. He leaves with a worse winning percentage than either Willingham

or his predecessor, Bob Davie. He leaves with the dubious distinction of winning fewer games with the players he personally recruited than with those he inherited from Willingham, who was fired last year by the University of Washington.

Notre Dame just isn't what it once was on the gridiron. Sure, it's been a program that has produced more national championships than any other school, but it's been 21 years since the last one was added to the trophy case. Sure, Notre Dame has been known as a place where some historic games have been played, but not lately, unless you're talking about the history of the Naval Academy, the University of Connecticut, the University of Pittsburgh or Stanford University.

What's happening in South Bend is a lesson in humility for the rest of us Hoosiers who love our state, but love it for something more than what it really is.

If it can be said that the College Football Hall is moving because Notre Dame is not at the center of the college football universe, it also can be said Indiana is no longer at the center of the manufacturing universe. That's somewhere between California and Beijing. Indiana might still be only a day's drive away from most of the nation's population, but that's data for logistics-minded folks who run delivery-related businesses and site distribution centers.

Our reality is that Eli Lilly is no longer the cure for what ails our economy. The Indianapolis drug-maker has laid off hundreds. The reality is that our military installations are no longer at the full-time levels they were in

1989, and that has drained thousands of jobs from the state. The reality is that Elkhart is not the only hard-hit area when it comes to unemployment. West-central Indiana has had a rate as high as 12 percent, according to one report, though the number of college-educated residents and workers ready and able to work remains high.

The question becomes: How long will we be able to sustain our tax bases, the manufacturing base we have left, and what hopes we have for thinking the best days for cities other than Fishers, Noblesville and Carmel in Indiana are ahead of us and not behind us?

There are encouraging signs. One is the ability to educate Hoosiers beyond high school through the Community College of Indiana, better known as Ivy Tech State College. Another is the success of biotech growth and new energy sources. Windmills have sprung up along I-65 between Lafayette and Rensselaer, and we have a bumper corn crop that has railroad cars screeching along little-used lines.

But after all is totaled up, the one glaring statistic that keeps kicking us in our overweight guts as Hoosiers is that we lag behind the rest of the nation in per capita income – and have for years. We did well in the 1970s, but as we brace ourselves for the next census, we have to remember that Indiana personal income has been drying up since then. That means that Hoosiers could live off the fat of the land for a while, but much of that fat has been consumed or lost to inheritance taxes, property taxes, or inflationary factors such as health insurance premiums.

So much for living on the reputation of a land that is proudly home to the university in South Bend where they "shake down the thunder" in the school song every time it's sung. Forget thunder in the rest of the state.

We all need to collectively think how we're going to catch economic lightning in a virtual bottle and go on to a personal income victory for our state that will be a lasting legacy. ❖

Kitchell is an award winning journalist based in Logansport.



108,000 Hoosiers missing and no alert

By **MORTON J. MARCUS**

INDIANAPOLIS - In my fantasy world the country singer asks, "Are you ready for some data, some labor market data, for the nation, for the states, and for Indiana counties?" Now those are words that stir the blood and stimulate the imagination.

If you are ready, here we go. During the two years from October 2007 to the same month this year, the number of people employed in the U.S. fell by 7.7 million. At the same time, the number of persons unemployed increased by 7.8 million. That seems logical. In a simplified world, where there are no part-time jobs, a person loses a job and become one of those who are unemployed. The number unemployed is larger than the number of job losers because population growth adds to the labor force.



Morton Marcus
Column

When we come down, however, from the celestial to the mundane, from the nation to the states or counties, the story is more complicated. During the same 24 months, Indiana saw the number of employed persons drop by 267,000 while the number unemployed rose by only 159,000.

Remember, Labor force = employed + unemployed. If the number employed goes down by

267,000 and unemployment rises by 159,000, this leaves a decrease of 108,000 in the labor force. Should the legislature investigate what happened to these 108,000 Hoosiers?

Did they die? Did they retire or go back to school? Did they move somewhere else to seek employment? Those 108,000 persons represent 41 percent of the decline in Indiana's employment. Twenty of the 50 states had decreases in the size of their labor forces. Our decline of 3.4 percent was third highest rate behind Kansas and Alabama.

It might be that many of those who disappeared statistically from Indiana moved to South Carolina, Rhode Island and Texas. Only those three states gained in the number employed while 47 were losing. Of course this is just speculation. The data do not reveal where the missing 108,000 are to be found, but they're not all on vacation at Disney World.

At the county level, where the state had a decrease of 8.6 percent in the number employed, Elkhart County ranked first with a decrease of 18.6 percent. Yet, as the number employed in that county fell by 17,900 from October '07 to October '09, the number unemployed rose

by only 9,200. According to my abacus, that left a decline in the Elkhart County labor force of 8,700. Put differently, 48 percent of Elkhart County residents who lost their jobs disappeared from the labor force.

Where are these missing workers? In Gibson County 67 percent of those who lost employment went where? In Monroe County the figure was 64 percent, Sullivan County 56 percent, Vanderburgh County 52 percent.

We are not trying to be alarmist. But according to the statistics, in 87 of our 92 counties there have been employment declines that have not been offset by unemployment increase. Therefore, their labor force figures fell. If this is a statistical mirage, tell us how it is done.

The answer must be interstate out-migration since no Indiana counties realized an increase in employment in those two years. In addition, only five Hoosier counties had labor force increases and these totaled a mere 760 persons.

Why should we all be concerned about these numbers? They determine the unemployment rates that are used to allocate federal funds. If they are far off base, maybe your county is being shortchanged. No doubt the good people who put together these data for the U.S. Department of Labor will explain the obvious points I don't understand. I look forward to hearing from them. ❖

Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business. Contact him for speaking engagements at mortonjmarcus@yahoo.com or 317-626-8853.

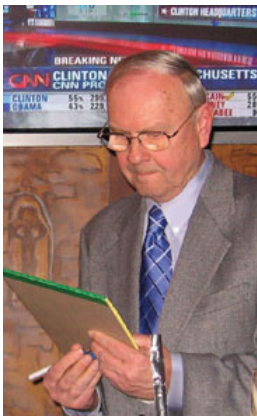




What it takes to be a Blue Dog

By JACK COLWELL

SOUTH BEND - Political junkies talk about Congressman Joe Donnelly being a Blue Dog, praising him as a watchdog guarding against wasteful spending or denouncing him as barking up the wrong tree on health care reform.



Since most folks don't talk the lingo of political junkies, let's ponder some questions about what Blue Dogs are or aren't and what they do to which trees.

Q. Does Donnelly growl when somebody calls him a Blue Dog?

A. No. He boasts of membership in the Blue Dog Coalition. He says fiscally conservative approaches of the moderate, middle-of-the-road Blue Dogs match the views of a majority of Hoosiers in his 2nd Congressional District.

Q. Yeah, but isn't being in the middle of the road kind of dangerous?

A. Yes. On health care reform, for example, Donnelly gets it from left and right. He has suffered the wrath of House Speaker Nancy Pelosi and some of his more liberal constituents who want sweeping changes. And he faces the wrath of state Rep. Jackie Walorski, his expected 2010 Republican opponent, and some of his more conservative constituents who see changes as unacceptable socialized medicine.

Q. Why are they called Blue Dogs?

A. Coalitions in Congress often take colorful names. Blue Dogs is a take-off on how back when Democrats had solid control in the Deep South it was said that Demo ditto-heads of that day would vote for a yellow dog if it ran on the Democratic ticket. Blue Dogs say they instead have an independent streak.

Q. So, are there millions of Blue Dogs?

A. No. Just 52.

Q. What? Can a group that small have any bite?

A. Yes, the 52 Democratic representatives in the House hold the balance of power on a close vote, sometimes frustrating their more numerous liberal colleagues in the Democratic majority, particularly in pursuit of the Blue Dog goal of lowering deficit spending.

Q. So why the wrath of Pelosi? Didn't Donnelly and a majority of the other Blue Dogs vote for the House health

care reform bill?

A. Yes, but only after they held up the legislation all summer, demanding changes in what Pelosi and the liberals wanted.

Q. Did they force changes?

A. Indeed. Initial proposals were for more sweeping changes and less deficit reduction _ maybe none at all _ than in what finally was passed. The non-partisan Congressional Budget Office estimated that the bill would reduce the deficit by \$110 billion over 10 years. Donnelly cites that as one of the main reasons he voted "yes."

Q. Hold on. Doesn't the health insurance industry say it would really add to the deficit?

A. Of course. Their spokesmen say it also would pull the plug on Grandma, put Uncle Sam between patients and doctors, stick Junior with an impossible debt and leave us vulnerable to attack from Martians. Worst of all, it would threaten their control of health care.

Q. Hold on again. Is it for sure it will reduce the deficit by \$110 billion?

A. Of course not. Fiscal forecasts change as much as long-range weather forecasts. And that estimate was based on what was in the House bill. The House bill won't be The Bill. If health care legislation is to be enacted, it will be a compromise between House and Senate bills, and a Senate bill hasn't even passed yet.

Q. With all the controversy and confusion and danger of being in the middle of the road, wouldn't Donnelly and the other Blue Dogs be better off politically if they killed the thing?

A. No. They are Democrats, remember, not Republicans. Most want a bill providing some significant reform. If Democrats, with the White House and both chambers of Congress, can't pass health care reform, something most Democrats supported in running for office, they will be lambasted as unable to govern. The result could be loss of their House majority. Republican leaders then could muzzle the Blue Dogs, just like their calls for fiscal restraint were muzzled when Tom DeLay was running the House rather than dancing on TV.

Q. Won't they also be lambasted for anything they pass?

A. Sure. But at least they would have the AMA and AARP defending them. ❖

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



Frank Rich, New York Times: We have to make choices. Obama paid lip service to that point, but the only sacrifice he cited in the entire speech was addressed to his audience at West Point, not the general public — the burden borne by the military and military families. While the President didn't tell American civilians to revel in tax cuts and go shopping, as his predecessor did after 9/11, that may be a distinction without a difference. Obama's promises to accomplish his ambitious plans for nation building at home while pursuing an expanded war sounded just as empty. In this, he's like most of the war's supporters, regardless of party. On Fox News last Sunday, two senators, the Republican Jon Kyl and the Democrat Evan Bayh, found rare common ground in agreeing that an expanded Afghanistan effort should never require new taxes. It's this bipartisan mantra that more war must be fought without more sacrifice — rather than Obama's tentative withdrawal timeline — that most loudly signals to the world the shallowness of the American public's support for any Afghanistan escalation. This helps explain why, as Fred Kaplan pointed out in *Slate*, the American share of allied troops in Afghanistan is rising (to 70 percent from under 50 percent at the time George Bush left office) despite Obama's boast of an enthusiastic new coalition of the willing. To his credit, Obama's speech did eschew Bush-Cheneyism at its worst. He conceded some counter-arguments to his policy: that the Afghanistan government is corrupt, mired in drugs and in "no imminent threat" of being overthrown. He framed his goals in modest and realistic terms, rather than trying to whip up the audience with fear-mongering, triumphalist sloganeering and jingoistic bravado. He talked of "success," not "victory." ❖

Doug Ross, Times of Northwest Indiana: Calumet Township Assessor Booker Blumenberg is in a show-down with Indiana Department of Local Government Finance Commissioner Timothy J. Rushenberg. It's a situation that shouldn't even exist. The DLGF warned that the "untimely and error-riddled work" by Blumenberg and his staff of 24 will delay property tax bills next year in Lake County, which will force many local government agencies to borrow money, at taxpayers' expense. Borrowing money because of late property tax bills has become an annual ritual. What's new this year is that Blumenberg's office is getting direct blame and pressure. Blumenberg knows about the DLGF's attempt to remove LaPorte County Assessor Carol McDaniel from office over allegations of incompetence. But so far, at least, the DLGF isn't taking action to remove Blumenberg from office. That should be the responsibility of the Indiana General Assembly. The Legislature took a crazy approach toward reform, with almost all township

assessors' jobs being eliminated by state law last year. That responsibility was automatically shifted to the county assessor. In the largest townships, however, voters were asked to decide whether to keep their township assessors. Why didn't the state just finish the job and eliminate them all? Blumenberg was retained by the voters. That shouldn't have been a surprise, considering his push to soak the rich and ease the burden on homeowners. Steel mills and refineries can't vote. That brings us to where we are now, with fingers pointing all over the place and the problem with late property tax bills still unsolved. ❖



Rich James, Post-Tribune: Rough-and-tumble Lake County Democratic politics used to be the best game in town. It was kind of like wrestling and roller derby rolled into one. It also used to be the most open process. Not any longer. That changed in March when Hammond Mayor Thomas McDermott Jr. became county chairman. He promised transparency, but so far hasn't lifted the shade. And it is about to get worse as the precinct committeemen are preparing to convene to select someone to fill the last year of Tom Philpot's term as clerk in that he becomes county coroner on Jan. 1. But before we talk about picking the next county clerk, which is officially known as the Clerk of the Circuit Court, we have to go back to McDermott's election as chairman. Shortly thereafter, he formed a 60-member Governing Board. What that really means is that he invited 60 people to serve on the board as long as they ponied up \$1,000 each. That made 60 of his best friends feel important and put \$60,000 in the party treasury. I called it a poll tax back then and have no reason to change my mind. But the Governing Board is pretty much a sham in that not only is it a pay-to-play kind of deal, but it also excluded some of the leading Democrats in Lake County. And truth be told, the Governing Board is virtually powerless. While the 60 members of the Governing Board were sitting around feeling pretty good about themselves awaiting the chairman's beck and call, McDermott also was forming his Executive Committee. The 11 members of the Executive Committee are the chosen ones. They also have deep pockets in that each had to come up with \$2,500 for the right to be part of the king's court. Well, the good chairman -- in the spirit of what he calls transparency -- now has a plan for selecting the next county clerk. McDermott has scheduled what he calls a pre-caucus meeting to pretty much determine who will be the next clerk. Thirty people will take part in the Dec. 12 pre-caucus. Eleven of them will be McDermott's Executive Committee. If I were a betting man, I'd say those 11 will back whomever McDermott wants. ❖



Obama defends war in accepting Peace Prize

OSLO, Norway - President Barack Obama accepted the Nobel Peace Prize by laying out a detailed case for war, making the argument that the Afghanistan conflict is necessary to keep

America and other nations safe (Politico). "We must begin by acknowledging the hard truth," Obama said, repeatedly evoking the notion of a "just war." "We will not eradicate violent conflict in our lifetimes. There will be times when nations — acting individually or in concert — will find the use of force not only necessary but morally justified." Obama quoted presidents and past peace prize recipients like Martin Luther King, who preached non-violence, yet said such ideals could not be his only guide, as the commander-in-chief of a nation at war on two fronts. "I face the world as it is, and cannot stand idle in the face of threats to the American people. For make no mistake: evil does exist in the world. A non-violent movement could not have halted Hitler's armies," he said in remarks delivered in a ceremonial room of Oslo City Hall. "Negotiations cannot convince al Qaeda's leaders to lay down their arms. To say that force is sometimes necessary is not a call to cynicism — it is a recognition of history; the imperfections of man and the limits of reason." Obama also said he believes "force can be justified on humanitarian grounds, as it was in the Balkans, or in other places that have been scarred by war. . . . That is why all responsible nations must embrace the role that militaries with a clear mandate can play to keep the peace." "In part, this is because I am at the beginning, and not the end, of my labors on the world stage," he said,



as the audience laughed. "Compared to some of the giants of history who have received this prize . . . my accomplishments are slight." Yet the bulk of his address was essentially a meditation on the nature of war. Obama addressed the seeming contradiction of a wartime president receiving a prize for peace, and said that "the instruments of war do have a role to play in preserving the peace."

Bank of American repays \$45B TARP

CHARLOTTE, N.C. Bank of America Corp. said Wednesday it has repaid the entire \$45 billion it owed U.S. taxpayers as part of the Troubled Asset Relief Program (MSNBC). Also Wednesday, CNBC reported Citigroup Inc plans to pay back TARP by raising money in an equity offering that could be announced as early as this Thursday, citing sources. Bank of America, which announced its agreement with the U.S. Treasury to repay TARP last week.

Pence says Obama 'doesn't get it' on jobs

WASHINGTON - U.S. Rep. Mike Pence made the following statement today at the White House after meeting with the President and other Congressional leaders about the economy: "House Republicans welcome the opportunity to sit down with the President and our colleagues in the House and Senate and discuss how we can get this economy moving again. But after examining the policies of this administration and the Democratic Congress over the last year, it's clear this administration just doesn't get it. The truth is, the American people know we can't borrow and spend and bail our way back to a growing economy. Yesterday, the President said that we might have to 'spend our way out of recession.' I personally urged the President to emulate what families

are doing around kitchen tables in Muncie, Indiana, during these difficult economic times. They're cutting back on spending."

Grubb assessment cap widely assailed

INDIANAPOLIS - Critics uniformly assailed a proposed assessed value cap Wednesday as regressive, unconstitutional and even an "insincere" attempt to curry favor with voters (Kelly, Fort Wayne Journal Gazette). But authors of the bill defended it as a way to give property taxpayers certainty on their bills — certainty the current property tax cap system doesn't provide. "This is the second part of a promise most of us have made to our constituents," said Rep. Dale Grubb, D-Covington. He was referring to tax caps that limit a property tax bill to 1 percent of assessed value for homeowners, 2 percent for farmland and rentals and 3 percent for business. "One, two, three is a false promise until assessed value is constrained in some manner," Grubb said. Although he and other lawmakers anecdotally mentioned taxpayers being confused by assessed value growth, countywide statistics around the state don't bear out large assessed value shifts. Rep. Randy Borror, R-Fort Wayne, said higher-priced properties continue to appreciate more consistently. But if that assessed value doesn't rise with the market, it pushes the tax rate up for everyone, he said, including owners of homes with stagnant prices. "We're doing not much more than price-fixing," he said.

Slim support for Afghan war in NYT/CBS poll

NEW YORK - A bare majority of Americans support President Obama's plan to send 30,000 more troops to Afghanistan, but many are skeptical that the United States can count on Afghanistan as a partner in



the fight or that the escalation would reduce the chances of a domestic terrorist attack, according to the latest New York Times/CBS News poll. In the wake of the president's address last week explaining his decision, the poll found a 10 percentage point increase in public approval of Mr. Obama's handling of the war in Afghanistan since last month, to 48 percent. But the shift reflects a twist on the political polarization that has marked much of Mr. Obama's first year in office: Republican and independent voters are rallying behind Mr. Obama as he presses for the troop escalation, while Democrats remain decidedly cool to his war plans. The poll showed a steady slide in support for Mr. Obama as he approaches the end of his first year in office. His job approval rating has now hit 50 percent, the lowest yet in this poll; it was 68 percent at its peak in April. The percentage of Americans who approve of his handling of the economy has dropped to 47 percent from 54 percent in October. And 42 percent approve of the way he is handling health care, down five percentage points in the last few months.

Daniels lauds IURC on energy efficiency

INDIANAPOLIS - The Indiana Utility Regulatory Commission (IURC) Wednesday released an order that requires utility companies to increase their investments to improve energy efficiency for Hoosiers. Gov. Daniels' reacted, saying, "Conservation is the single best way to fight pollution, help ratepayers and strengthen the state's economy. I've been encouraging the commission for the last year to take bold moves in this area and am very excited to see them do so. I plan to support this initiative strenuously."

Souder wants audit of stimulus funds

WASHINGTON - U.S. Rep. Mark

Souder announced today that he is cosponsoring H.R. 4219, the National Commission on American Recovery and Reinvestment Act, which would set-up a ten member, bipartisan panel to provide oversight and accountability to prevent fraud, waste, and abuse relating to stimulus funds (Howey Politics Indiana). "Not only has the stimulus failed in its goal of curbing rising unemployment, the administration has relied on imprecise statistics and a significantly overstated number of jobs created to justify their spending," Souder said.

Carson joins Obama for health grant

WASHINGTON - U.S. Rep. André Carson and HealthNet, Inc. President and CEO Booker Thomas joined President Obama at the White House this afternoon to announce a nearly \$10.5 million investment in Indianapolis community health centers. The grant will both create new local jobs and provide greater access to care for the uninsured.

Kersey bill would require Indiana jobs

INDIANAPOLIS - Contractors would be required to staff state public works projects with Indiana residents under a proposal to be voted on Monday by the House Ways and Means Committee (Carden, Times of Northwest Indiana). The legislation requires 80 percent of workers on state projects to be Indiana residents. State Rep. Clyde Kersey, D-Terre Haute, told the committee Wednesday that if the state is spending money on public works projects, those funds also should be used to put Hoosiers back to work.

Study finds Indiana is taxing the poor

INDIANAPOLIS - For a family of four trying to stretch \$16,000 over

the course of a year, \$200 is a big chunk of cash (Fort Wayne Journal Gazette). That family would have to part with that cash in Indiana, because the Hoosier State is one of six that tax the incomes of families in severe poverty. A recent report by the non-profit Center on Budget and Policy Priorities, a Washington, D.C., think tank, calls on Indiana and other states taxing low-income families to revisit its tax policies. The state's income tax threshold last year for a two-parent family of four - the lowest income at which a family has state income tax liability - was \$15,500, third lowest in the nation.

Commissioner calls McShurley 'crazy'

MUNCIE - County Commissioners didn't think long before they rejected a Wednesday offer from Mayor McShurley to let them take over city animal control (Werner, Muncie Star Press). McShurley's offer would have given the county the Muncie Animal Shelter building, its trucks and other animal control assets, but did not include any kind of financial reimbursement. "She's crazy," Commissioner President Todd Donati said. "We are not going to accept that. I can tell you right now." In previous negotiations, commissioners had asked for the assets and \$300,000 annually. Donati said that he is willing to negotiate on the price, but that a county animal control takeover won't come free. McShurley said she felt insulted by Donati's response and fired back at him in an interview Wednesday night, saying as long as the community continues to elect people like Todd Donati and other Democrats, "we're going to continue to have these kinds of problems." ❖