



Coats engages Bayh 12 years later

The 1998 race that didn't happen resurfaces

By **BRIAN A. HOWEY**

INDIANAPOLIS - In the very twilight of his Senate career, Dan Coats stopped by my office at NUVO Newsweekly in late 1998 to recap his career and bid farewell.

His career had been one of luck, opportunity and uncanny political ability. An insurance executive, Coats had joined the staff of U.S. Rep. Dan Quayle, and then won that office after Quayle's 1980 upset of U.S. Sen. Birch Bayh (with Evan Bayh managing that campaign). When Quayle ascended to the vice presidency in 1988, Gov.

Robert D. Orr turned to Coats to succeed Quayle in the Senate after Mitch Daniels turned down the job. Coats won a tough race against State Rep. Baron Hill in 1990, and in 1992 he ran what HPI would call a textbook campaign against Joe Hogsett, using a radio ad campaign that spring to jet out to a big lead that was never threatened.

Coats had become a force on the Senate Armed



Former U.S. Sen. Dan Coats with Gov. Daniels, Lt. Gov. Skillman and U.S. Rep. Buyer in 2005. While Coats may have unfinished business, he is worried about the direction of the nation. (HPI Photo by Brian A. Howey)

Services Committee and he used issues like keeping other state's garbage out of Indiana to win points with voters. But with Gov. Evan Bayh looking for a payback as 1998 approached, Coats soured on the Washington political culture that demanded constant fund-raising. He decided to retire.

After an hour-long talk and goodbyes and good

Continued on Page 4

A metal detector at Big Tent

By **BRIAN A. HOWEY**

INDIANAPOLIS - President Reagan's "big tent" Republican Party appears to have one of those big people screeners ready to go before you head under the flap.

At least, that's what the Republican National Committee did in Honolulu last weekend at its winter meeting. It unanimously adopted a resolution by Bill Crocker of Texas that calls on all Republican Party leaders "to carefully screen" all candidates and to "determine that they wholeheartedly support the core principles and positions of the Republican Party as expressed in the Platform." It urges that "no support, financial or otherwise, be given to candidates who clearly do not support the core principles and positions of the Republican Party as expressed in the



'Come November, the speaker may not be speaker anymore, I'm not sure, but I know the governor will be the governor.'

- STATE REP. CHET DOBIS



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Platform."

As Crocker said after the resolution's adoption: "No more Scozzafavas, please. No more Specters, please. No more Chafees, please."

But the plan wasn't drawing universal praise in Indiana. Asked to comment, U.S. Rep. Mike Pence, who heads the House Republican conference, declined to comment. Gov. Mitch Daniels referred HPI to Indiana Republican Chairman J. Murray Clark.

Late Wednesday, Clark told HPI, "This was kind of the compromise resolution to several others that were put forth. I support this. No.1, it's an effort to shine a light on the differences of the two parties that had been obscured over the last couple of years and to make relevant the party platform. The compromise was that nothing was mandatory. It was just encouraging state and local parties to screen local candidates to make sure they agree with the party platform."

He noted that 2nd CD Republicans refused to support congressional candidate Tony Zirkle several years ago due to what were considered to be extreme views.

Asked if a legislator like former State Rep. Jerry Bales, a moderate to liberal Republican, would have lost official party support, Clark responded, "I can't answer that. This should start with local Republican leaders. I don't look at this as a top down mandate."

What about a pro-choice Republican candidate? Clark explained, "I admire Jim's intentions. In Jim's resolution, just because you were pro-choice wouldn't leave you out as long as you supported eight of the 10."

Pence refused to take sides in the New York 23rd CD race last fall when national Republicans like Sarah

Palin, Dick Armey and Rush Limbaugh began attacking the GOP nominee, Dede Scozzafava, who was pro-choice on abortion and had backed other moderate positions. Under withering national criticism from the GOP right, Scozzafava withdrew and the Conservative candidate lost to the Democrat, the first time the district left the Republican column since the Civil War.

Clark said of the Scozzafava situation, "It's hard for me to imagine a situation where that would have happened in Indiana. We do try to do the due diligence that this takes. In terms of Indiana, I don't know if we have any plans to do anything more formal to her than to be mindful that this is important.

It's important we have candidates. If they are going to run under the Republican Party platform, they need to support that platform. I'm not saying they have to support every tenet, but they have to support most of the platform."

Howard County Republican Chairman Craig Dunn told HPI, "While I support the concept of having Republican candidates who represent conservative values, I am not in favor of imposing a litmus test on candidates. Our Republican voters are best able to sort through the available candidates and decide which ones represent our values."

Dunn said it comes down to party leadership. "If Republican leadership fulfills its role by conducting candidate forums and debates and by utilizing our ability to endorse, then we will have candidates who truly represent our traditional Republican beliefs," Dunn said. "Sunlight is the best disinfectant! I do not believe that we should paint our candidates into corners. The Republican Party has



**GOP National Committeeman
Jim Bopp Jr. (Washington Post)**



thrived for over 150 years thru many changing economic, social and international environments without a litmus test and it will continue to thrive well into the future."

Indiana Republican National Committeeman James Bopp Jr. of Terre Haute proposed the original resolution that prompted fierce debate. The New York Times reported that Bopp's original resolution would have required candidates to endorse at least eight out of 10 positions on issues including abortion, gay marriage, immigration and President Obama's health care plan. Candidates who failed

that test would not be eligible for financial or organizational support from the party.

Bopp explained: "With the adoption of the Platform Fidelity Resolution, I withdrew from consideration the Reagan Resolution and the Accountability Resolution, since the Platform Fidelity Resolution accomplish our goal of demonstrating that this party is serious about standing for our principles, so that disaffected conservatives, such as Tea Party members, will be comfortable working with us in defense of freedom, and gained widespread support." ❖

A happy halfway point

By **BRYAN AULT**

INDIANAPOLIS - As the Indiana General Assembly enters "halftime" of the 2010 legislative session, House and Senate leaders took a timeout to address key issues affecting Hoosiers across the state on Wednesday.

"We're at halftime," Senate President Pro Tempore David Long, R-Fort Wayne, said. "We managed to accomplish quite a bit. Both sides have done a good job."

One such issue is ethics reform. Last Tuesday, the Senate passed Bill 214, which lowers the value of gifts that must be reported. "I was very happy with the Senate. We tried to roll up our sleeves and deal with it," Long said. "It's much tougher than first blush. Unlike other states, it hasn't been driven by a scandal. It's more transparent, and has House leadership."

The biggest accomplishment of the legislative session thus far is the passing of property taxes caps as an amendment in the Indiana constitution.

"The Democrats saw the writing on the wall," House Majority Leader Brian Bosma, R-Indianapolis, said. "I'm thrilled people get to vote on it. Other states have asked us about it. In five-to-10 years, I think people will look at it as a hallmark of reform."

House Speaker B. Patrick Bauer, D-South Bend, disagrees. "There are gaps in the caps," Bauer said. "The property tax caps do not provide tax cap relief. Most people don't understand that. They think the caps are tight. They're not." Bauer said Indiana has a "crisis in education. They are laying off teachers everywhere. We have a crisis in education in this state. It's a communication problem. People just never believe closing public schools will ever happen."

Another issue put at the center of discussion as the session revs up for the second half is gaming. "I have sympathy for boats who are feeling (it)," Bauer said. "The boats from Vegas are killing the boats next to them. There is inequity down there. It's going to consume time."

But Bosma said he is opposed to inland casinos, calling it an "expansion" of gaming.



Speaker B. Patrick Bauer and Minority Leader Brian Bosma at their Wednesday mid-term pressers. (HPI/Franklin Photo by Steve Dickerson)

Long talked of what could be the biggest second half issue: unemployment insurance. "We thought this problem would've been solved last year," Long said. "It makes a lot of sense. The recession is so much worse than we thought. We'll see where politics leads this issue. Hopefully, we can find common ground and a partisan solution."

Long also said he doesn't expect the statewide smoking ban to pass. "I suspect this session will not see a statewide smoking ban, but I think that the time is coming when that's a real possibility. I don't think we're ready to consider that in the Senate right now. It's a tough time to start banning smoking" due to its potential impact on businesses struggling during the recession.

On Tuesday, Howey Politics Indiana reported former U.S. Sen. Dan Coats will run against Sen. Evan Bayh.

"He is a formidable candidate," Bauer said. "He'll be a candidate you can't take lightly."

"I was surprised," Bosma said. "Dan is a man of the highest integrity. I'm excited about another Republican in the race. He has a very legitimate shot to be the senator of Indiana."

"Elections are tough," Bosma added. "And the next election will determine leadership in the General Assembly for the next 10 years. Every incumbent is vulnerable. The marbles are on the table." ❖



Coats/Bayh, from page 1

lucks, Coats disappeared, only to return a minute or so later in what was to be an unforgettable moment.

"I could have beat Evan Bayh," Coats said, with a look of determination, before departing for a final time.

Fate was a fitting partner in years to come. Coats came within an eyelash of becoming President George W. Bush's secretary of defense. That would have chiseled an epic historic perch after Sept. 11 and the Iraq invasion. Instead, Coats became ambassador to Germany, and then to a white shoe Washington law firm.

Last week, with U.S. Rep. Mike Pence deciding against a challenge to Bayh, which HPI described in last week's edition as a "brief reprieve" for the junior senator, we talked about other potential candidates like Secretary of State Todd Rokita. Any chance that Dan Coats might come back? No way, several Republican sources said.

But that's exactly what happened on Tuesday when Coats began calling Gov. Daniels and other state Republican. A few days before, Coats began plotting with his allies in the Indiana Republican Party, Indiana Right to Life, the Indiana Family Institute and even the Tea Party movement to correct what he perceived to be a historic wrong in his mind; for the nation, for him professionally and personally.

In the second stunning development of the week, five days after U.S. Rep. Steve Buyer announced his retirement, Coats said he could no longer sit back and watch.

"Throughout my life, I have been drawn to serving my country, starting as a young man in the Army, and then as a member of the House of Representatives, the United States Senate, and most recently as the U.S. ambassador to Germany," Coats said in a statement to HPI. "After coming back from Germany I was content to return to the private sector. But like many Hoosiers, I have become increasingly alarmed and frustrated about the direction of our country and the failure by leaders in Washington to listen to those they were elected to represent. While Hoosier families have tightened their belts and sacrificed to make ends meet during these tough economic times, our elected officials in Washington continue to run up massive deficits, recklessly borrowing and spending record amounts of taxpayer money with no regard for the future generations of

Americans who will inherit this staggering and ever-increasing debt."

In the next two weeks, Coats will use his network to attain the 4,500 signatures needed for certification by Feb. 19. If he does, Coats will almost certainly edge out State Sen. Marlin Stutzman, Don Bates Jr., former Congressman John Hostettler and Tea Party revolutionary Richard Behney to take the Republican nomination for the right to challenge Sen. Bayh. As of this week, Stutzman was closest on the signature front with 3,500 certified, followed by Bates with 2,100, Hostettler with 1,800, and Behney with 1,500.

Indiana Republican Chairman J. Murray Clark told HPI on Wednesday that Coats "hasn't asked us for an endorsement." He added that Coats "makes a strong group of candidates stronger."

Democrats were incredulous

For the Bayh forces, there was a feeling of incredulity. "He's not registered to vote in Indiana," said Indiana

Democratic Chairman Dan Parker, who is managing Bayh's campaign. Parker said that Coats has been registered to vote in Virginia since November 1999 and voted absentee in the Old Dominion in last November's gubernatorial race. "He can't even sign his own petition," Parker said.

The Democratic Senatorial Campaign Committee came out firing Wednesday morning. "According to filings, Coats lobbied for

Bank of America in October 2008, just as the bank was receiving \$15 billion in bailout funds. Coats' firm was compensated \$120,000 in the period just before the Wall Street bailouts," the committee said.

Parker scoffed at the notion that the Tea Party would help attain signatures. "He's going to ask the Tea Party for support when he helped get TARP funds for Bank of America?" Parker said.

Former aide Curt Smith of the Indiana Family Institute told HPI this morning Coats will make his "lights on" announcement after the Super Bowl.

Republicans were gleeful. "Coats deciding to run is a product of the environment we're in right now," a senior GOP official told Politico. "This is a great opportunity for us. We have a real player on the field that they weren't expecting us to have."



Coats helped shepherd the confirmation of Supreme Court Justice Samuel Alito (second from left).



Rep. Pence said, "I am very excited about the possibility that former Senator Dan Coats may run for the United States Senate in 2010 and I sincerely hope he does it. His integrity and conservative record would make him the ideal candidate for Hoosiers. If he runs, I will support him."

But not all Republicans were on board. Howard County Republican Chairman Craig Dunn announced his endorsement of Bates Wednesday morning. "It is high time that Indiana had a senator 'for' Indiana and not just 'from' Indiana. Evan Bayh has followed closely in his father's footsteps. First, Bayh was elected amid great promise. Next, he fell in with the liberal hierarchy of the Democrat Party. Then, he piled up the money as his inexperienced wife was warmly embraced and hired by big corporations to sit on their boards. Finally, he grew disenchanted with the mere task of serving the taxpayers of Indiana and he became desperate to find a way to move into 1600 Pennsylvania Avenue."

Dunn continued, "I believe that Don Bates Jr. is an experienced businessman who understands the economy and Indiana's role in our national economy. He has seen the depredations wrought by the disastrous 'tax and spend' mentality of Evan Bayh and the Democratic leadership of Harry Reid and knows how to get our citizens back to work and our country moving forward again."

Coats '92 campaign

Anyone questioning Coats as a candidate should look at his 1992 reelection campaign. It came during the last big recession and President George H.W. Bush's popularity was swooning. Coats had voted to close Fort Benjamin Harrison. And there was Hogsett, who upset Indianapolis Mayor William Hudnut III in the 1990 secretary of state race and then cast a quick eye on Sen. Coats.

"People saw Dan Coats as the underdog," said Brose McVey, the 5th CD candidate who managed Coats' campaign in 1992. "Hogsett was on fire, but the fatal mistake was he announced his intention within days of being

sworn in as secretary of state. It was reckless ambition. We defined Hogsett as a real opportunist within days of his announcement. Coats was very thoughtful. He brought about the concept of compassionate conservatism, of empowering churches to work in the inner cities."

McVey also noted that Coats' political and policy operations spun off a great deal of talent, including Mike Gerson, President George W. Bush's talented speechwriter, and Tim Goeglein, who worked on faith-based initiatives under Bush 43, and Rep. Mark Souder.

McVey said of a race against Bayh, "It would insure a very healthy debate in Indiana at a time in history when Hoosiers are angry and confused. It would be very energetic dialogue. Dan has an international reputation which means he'll have financial credibility. He's the kind of guy I always thought put his religion, family and character first at a time when Hoosiers are looking for that. He's a very sincere and principled human being. That is a very important contrast with Evan Bayh, who people are beginning to see as very intellectually inconsistent and driven by nothing but politics."

Washington Post blogger Chris Cillizza reported today, "Bayh's biggest potential weakness is the fact that he hasn't run a truly competitive race in decades and may not have the fire in the belly to do so now given that he weighed retirement earlier in this cycle. Coats will also have to answer a few basic questions. He does not currently live in the state (GOP sources say he and his wife had long planned to move back), is a federally registered lobbyist and, for someone who left office expressing a disdain for fundraising, will have to do lots of it to get competitive with Bayh. Still, Coats' candidacy is rightly regarded as a coup for national Republicans who, in the aftermath of Sen.-elect Scott Brown's (R) victory in a Massachusetts Senate special election last month, have been working hard behind the scenes to expand the playing field."

Bayh and Obama

As the Hoosier political establishment began wrapping their heads around the reality of Coats vs. Bayh,



U.S. Sen. Evan Bayh asked President Obama on Wednesday: 'Why should people trust Democrats?'



enjoined 12 years after it was supposed to happen, Sen. Bayh was attending a question-and-answer meeting with President Obama.

Bayh stood up and noted that "ordinary citizens are making sacrifices" and asked, "Why can't Washington make the same sacrifices? Why should people trust the Democratic Party?"

Obama had a grim expression on his face and then answered, "The last time the budget was balanced, there was a Democratic president who made the tough decisions. Bill Clinton made some very bold decisions and he got no help from the other side. There was a \$200 billion surplus at the end of his presidency."

Obama explained that under President George W. Bush, "there were two wars that were not paid for; there were two tax cuts that were not paid for."

He likened the situation he inherited to a "cartoon character who's been handed a ticking time bomb." He explained, "You didn't construct it, but you're holding it."

Obama counseled Bayh and other Democrats, "The way we regain the public trust is to explain, be honest. We're not going to get out of this hole overnight."

The irony for Sen. Bayh is that on the Democratic side, he's been the one warning of the unsustainable spending and deficits.

But he was also the senator with a seat on the Senate Banking Committee who acknowledged the "systemic failure" of the establishment that led to the Wall Street meltdown in 2008 and the Great Recession of 2009 that has seen 650,000 Hoosiers apply for food assistance.

Epilogue

Over the past decade, Hoosier voters have tossed out a sitting governor, the Senate finance chairman, the Senate president pro tempore, four congressional incumbents, and 40 percent of incumbent mayors in 2007, including Bart Peterson in Indianapolis. With the exception of Daniels' defeat of Gov. Kernan, conventional wisdom before the 11th hour didn't envision the upsets.

Howey Politics Indiana is not imbued with conventional wisdom. We asked the question last August, "Is Evan Bayh invincible?" And rhetorically answered, "Senator Bayh is a heavy favorite, but chinks and a credible opponent could shift the race." Under this analysis was a Brian Howey column with the headline, "It's the economy, Mr. President."

Hoosier voters haven't displayed the willingness to toss out an incumbent senator since Dan Quayle defeated Birch Bayh in 1980, with Evan Bayh at the campaign helm. In February 2010, Evan Bayh is no cartoon character, but he's been handed a ticking time bomb. ❖

Stutzman, Hostettler staying the course

By **BRIAN A. HOWEY** and **BRYAN AULT**

INDIANAPOLIS - After nearly a year planning a campaign and traveling across the state, State Sen. Marlin Stutzman told HPI today he's staying in the race after former U.S. Sen. Dan Coats emerged.

"We'll wait and see if he makes it on the ballot," Stutzman said. "We'll see if the RNC can get Dan Coats' signatures done on time." The deadline is Feb. 19.

Stutzman called Coats a "Washington insider" and noted that "back in 1998 Dan Coats had the chance to take on Evan Bayh and didn't. People are talking about that."



State Sen. Marlin Stutzman told HPI he's committed to the race and said he will wait and see if Dan Coats can qualify for the ballot. Stutzman is shown here at the Tea Party rally last April 15 at the Statehouse. (HPI Photo by A. Walker Shaw)

"It will be an interesting primary," Stutzman said, adding that he had consulted with Coats as he built his campaign, but not recently.

One of the reasons Coats emerged at the behest of the Republican Senatorial Campaign Committee was that the four Republicans haven't raised much money. Stutzman has raised only \$160,000 and has only \$25,000 cash on hand. He told HPI that he is finishing up his signature process.

But already, some of the bigger names Stutzman had in his camp are defecting. U.S. Rep. Mark Souder, who had endorsed Stutzman is saying he "clearly supports" Coats and indicated he will ask Stutzman to reconsider. Stutzman told HPI he had not talked to Souder as of this morning.

Another Fort Wayne Republican, Senate President Pro Tempore David Long, acknowledged Wednesday "that I'm pulled both ways."

"He is a fabulous person," Long said of Coats. "He's a great senator. He has amazing talent and he is a highly respected person. He has an excellent shot, and it's a good environment for Republicans to get that Senate seat."

Former congressman John Hostettler is signalling supporters that he's in the race to stay. ❖



Numbers game begins with 5th CD challengers

By **BRIAN A. HOWEY**

INDIANAPOLIS - It's a numbers game in the 5th CD. The money numbers came out this week with Luke Messer posting \$102,262 while U.S. Rep. Dan Burton posted \$157,000. Burton has \$442,000 cash on hand; Messer \$241,000.



And then there's the rest of the challenger field: State Rep. Mike Murphy raised \$31,000 for the quarter and has \$173,925 cash on hand. Dr. John McGoff raised \$55,000 and has \$77,000 cash on hand. Brose McVey raised \$31,000 and has \$62,000.

Outside of Burton and Messer, and maybe Murphy, it was hard to conceive how McGoff and McVey can win a five-way race with only enough funds to buy a couple of direct mail pieces.

The Murphy numbers were the most surprising. He posted more than \$100,000 in the third quarter and HPI believed that he had the momentum going into this reporting period. Murphy insisted that "I'll have the media budget we have to meet. But we need every penny we can get."

But Murphy produced a Bellwether Research Poll (Jan. 25-27, with likely Republican primary voters, +/- 5.6%) that showed Burton's reelection numbers at 28 percent, down from 35 percent a year ago. "Lee Atwater used to say that if an incumbent was under 40 percent, he was a dead man," Murphy said.

The second poll question was which challenger was in the best position to defeat Burton? Murphy said it showed that 16 percent favored his candidacy and McGoff's, 15 percent Messer, and 11 percent McVey, while 43 percent didn't have enough information. "It's a wide open race," Murphy declared. "I love a good fight and we're gonna have one."

Hours earlier, McVey told HPI that he wanted to see some polling numbers. "I'd entertain in the conversation of having them share the cost of a survey," he said of his fellow challengers. "I want to see new legs on the playing field. I don't want to hand this back to an incumbent who's not getting the job done."

As for his own money numbers, McVey explained, "It's kind of a period of reflection for me. The more I get committed and emotionally attached to the issues and what this country needs, the more the money game and practi-

cal side becomes a love/hate deal. I am more committed to the agenda to save us from our own fiscal suicide. At the same time, I want to rejuvenate new leadership. At this point, I'm committed." As the challenger field took shape last summer, McVey said he would be open to culling the field based on financial numbers, polling and organizational strength. Murphy's Bellwether poll could put the damper on that.

Messer told HPI he's best positioned among the challenger class. "We've got strong grassroots in each county," he said. We've done town halls in all 11 counties. Then you have to combine that with a strong effort on the issues and the kind of paid media it takes to reach the 80,000 primary voters. We've been working hard for 10 months to do something hard which is to beat an incumbent. We've got the foundation laid and now we execute during the next 90 days."

Of consolidating the field, Messer explained, "We have to be talking to the other candidates. The other guys have to look in the mirror and reach their own decisions.

But we have to reach out. There's no backroom way to get this done."

If no one gets out, Messer noted that former Alaska Gov. Sarah Palin won a five-way primary in 2006, but those types of upsets are rare.



Luke Messer

Messer's campaign consultant, Jennifer Hallowell, added, "We've spent the last 10 months

building an organization aimed at winning this campaign and by every objective measure, Luke is the clear front-runner. For months and months lots of Republican leaders and candidates have talked about the need for leadership and the need for a new congressman. If we are all serious - if that's important - we need to come together to support the candidate who has the best ability to win and clearly that's Luke. He's led in fund-raising every quarter. We've got a grassroots organization across the district. He's got significant endorsements with the sheriffs in Hamilton and Hancock counties."

This race seems volatile. We still believe the five-man field favors Burton. We don't know how the Tea Party movement will impact the race (Burton rallied with them at the Indiana Statehouse last April 15). Messer seems to be in the best position to overtake the incumbent, but that would be bolstered by the field culling and we're not sure that's going to happen. **HPI Horse Race: Leans Burton**

4th CD: Hershman, Rokita prepare to battle

The 5th CD was supposed to be the marquee primary event in Indiana, but with U.S. Rep. Steve Buyer's



stunning retirement announcement last Friday in the 4th CD, new battle lines were drawn and the race may come down to Secretary of State Todd Rokita and State Sen. Brandt Hershman, who serves as Buyer's district director.

There is no clear favorite and the field could expand to include State Rep. Tim Brown, R-Crawfordsville. None of the candidates have had time to build much of a campaign, so this will be a true sprint. "This was an unusual circumstance," Hershman told the Kokomo Tribune's Ken de la Bastide of Buyer's sudden retirement announcement. "The timing was a shock to me."

There had been speculation that if Buyer were to retire or seek a U.S. Senate or gubernatorial seat, Hershman would be the heir apparent. But Rokita is resisting the notion of such an arrangement similar to the baton passing from the late U.S. Rep. Julia Carson to her grandson, U.S. Rep. Andre Carson. Rokita was quick to point out that it isn't Buyer's decision, but the people's.

Hershman told HPI on Wednesday that he and Buyer are discussing how the congressman "will be supporting me any we he can. We're exploring."

Hershman, 43, who has \$140,000 in his state Senate campaign, said both he and Rokita will only be able to convert a portion of their state campaign funds. "It's a scramble and we'll be starting at a level playing field." Hershman said he's got local and national fund-raising already lined up, as well as a lengthy list of endorsements that will gradually emerge over the next few weeks.

Asked how his role as Buyer's district director could help his campaign, Hershman said that he served in the district, while many other congressional aides who were moving up worked in Washington. "I worked on local projects and outreach." His staff role will be more important if he wins the seat. "I'll have a tremendous leg up. I know the process. I know how the Republican conference works." Hershman also knows the executive branch, serving President George H.W. Bush for two years as a speechwriter.

It was a bizarre week for Rokita, who pondered a

run against U.S. Sen. Evan Bayh until Friday morning when Buyer resigned. Rokita lives in the western Indianapolis portion of the 4th CD and has some name ID advantages. He's run and won statewide twice and his relationships with clerks throughout the state and district give him some familiarity and relationships in courthouses. He's also been running TV ad campaigns on issues like securities fraud. While there is no polling available, Rokita would likely enjoy higher name ID due to that exposure. He also has powerful allies in the GOP who will assist in getting his campaign up and running.

Or as one district source told HPI, "Rokita's name ID is probably a mile wide, but not as deep as Hershman's."

Rokita agreed with Hershman that the two start from scratch financially. He believes it will take \$500,000 to win the primary and said response from the district has been "overwhelming." Rokita said he expected to have a campaign staff in place by next week. Asked if he had privately known about Dan Coats' entry into the Senate race, Rokita said, "I had no inkling."

Hershman's Senate district lies within the northern part of the elongated 4th CD and as district director, he's had

great access to key Republicans. Hershman might be able to expect access to some of Buyer's war chest that would help him jump-start the campaign. Buyer can also be expected to make a ringing endorsement of Hershman which will carry weight.

What's our early call? At this point, due to the name ID, we'd give a slight advantage to Rokita, but only until some of the blanks are filled in. **Horse Race: Tossup**

3rd CD: Souder defends bailout vote

U.S. Rep. Mark Souder, who is facing three primary opponents, defended his 2008 vote to bail out Wall Street and the banking system. One opponent, Fort Wayne attorney Phil Troyer, is preparing to attack Souder as a big spender.

Souder told the Warsaw Times-Union this week that the Senate passage of the \$1.9 trillion federal debt limit could devastate the economy.

"The percentage of gross domestic products is now



Secretary of State Toddy Rokita (left) and State Sen. Brandt Hershman start the 4th CD Republican primary "from scratch" financially. (HPI Photos by Brian A. Howey)



going up, and the amount of debt Democrats have added in one year is greater than all the debt of presidents in American history combined," Souder said, adding that the acceleration of the debt has now put a fundamental challenge on what's going to happen with interest and inflation.

"Interest and inflation inevitably, at some point, have to go up partly to liquidate the debt," Souder said.

As for his bailout vote, Souder explained, "I voted for the bailout package because I felt that our economy was going to collapse." He said \$500 billion of the original \$700 billion in bailout funds has been or will be collected by the government.

HD76: McNamara promises leadership

Educator Wendy McNamara made her candidacy for state representative in District 76 official on Tuesday when she filed paperwork with the Indiana Secretary of State's office to place her name on the May primary ballot. She seeks to challenge State Rep. Trent Van Haaften, D-Mount Vernon. "I'm excited to move forward with this process and to continue listening to the voters in District 76," said McNamara. "Everywhere I go I hear the same thing. People here are ready for new leadership who will focus on brightening the economic future of Southwest Indiana by working to attract new businesses, building new infrastructure and improving our educational system. By working with the residents of this district, I believe I can be that leader." McNamara, 40, lives in Mount Vernon with her husband, Marc. District 76 contains all of Posey County and parts of Vanderburgh and Gibson counties.

HD37: HUPFER FILES: The former director of the Indiana Department of Natural Resources, Kyle Hupfer, announced today that he has completed the filing of all paperwork required for him to be on the May primary ballot as a candidate for HD37 where he hopes to challenge State Rep. Scott Reske. "Jill and I have been humbled, but are also very excited, by the significant support and enthusiasm we have found for the campaign as we have talked to voters throughout District 37," said Hupfer. "I intend to run a very engaging campaign that provides an opportunity for any resident of Lapel, Anderson, Ingalls, Markleville, Edgewood, Pendleton or Chesterfield who wants to talk about the issues that are important to them, to be able to do so directly with me." Hupfer noted that many voters feel disconnected from the legislature, something that he would like to change.

"As I have listened to voters, it is clear that they are tired of feeling like they work for their elected officials instead of their legislators working for them," Hupfer said. "I enter this race making no promise to voters more important than this one: If elected I will represent their interests in Indianapolis, not my own." ❖

A well-worn path from Statehouse to Capitol Hill

By **BRIAN A. HOWEY**

INDIANAPOLIS - There's a well-worn path from the Indiana Statehouse to the U.S. Capitol. Birch Bayh followed it. So did Julia Carson, Ed Pease, David Dennis, Earl Landgrebe, Ed Roush, William Jenner, Dan Burton and Baron Hill.

They were Indiana legislators who ran and made it to the big leagues and served in Congress.

Many others - like current Evansville Mayor and then-State Rep. Jonathan Weinzapfel, State Rep. Jeff Linder, State Rep. Marc Carmichael, State Sen. Virginia Blankenbaker, State Sen. Jean Leising - tried and didn't make it.



U.S. Sen. William Jenner was Indiana Senate President Pro Tempore.

The Class of '10 from the Indiana General Assembly on this trek, numbers at least six with State Reps. Jackie Walorski (vs. Rep. Joe Donnelly), Mike Murphy (vs. Rep. Burton) and Tim Brown looking for a promotion, along with State Sens. Brandt Hershman and Marlin Stutzman, who is seeking to challenge Sen. Evan Bayh. Former State Rep. Luke Messer, a lawyer, has joined Murphy in the 5th CD challenge to U.S. Rep. Burton.

Brown appears to be contemplating the 4th CD race that has attracted Secretary of State Todd Rokita and Hershman attempting to fill the void left by U.S. Rep. Steve Buyer's shocking retirement announcement last Friday.

It's one of the biggest legislative fields seeking to move up in modern Indiana history. It's tough for legislators who represent one to several counties to make the jump to statewide politics. But moving up from a legislative House or Senate seat to a congressional district is more common. Many legislators get some exposure in news markets during election years and legislative sessions and that drives up name ID to a point that allows them an advantage over others in primary battles.

Some served in leadership, with Birch Bayh serving as speaker of the Indiana House while Jenner was Senate president pro tempore; both earning statewide reputations before moving up to Congress.

The legislature is one of four major spawning grounds for Congress here in Indiana and the most prolific.



The other big feeding areas are lawyers, staffers, and government executives. Of the current delegation, two are former legislators (Burton, Hill), two are former congressional staffers (Visclosky, Souder), two worked in law enforcement (Carson as an investigator for the Indiana State Excise Police and Ellsworth, the former Vanderburgh County sheriff), and five are lawyers (Bayh, Donnelly, Buyer, Souder and Pence). Sens. Bayh and Lugar and former Rep. William Hudnut III served as executives (governor and mayors of Indianapolis) before ascending to the U.S. Senate, and with Hudnut, to the U.S. House. Former Rep. Tim Roemer was a staffer to House Majority Leader John Brademas and Sen. Dennis DeConcini.

Among the current candidate class, several had careers in the news media, including former Vice President Dan Quayle, who was an executive editor with the Huntington Herald-Press. Rep. Pence had a daily syndicated radio program and weekly TV show on politics.

Others include Rep. Frank McCloskey (Indianapolis Star and Bloomington Herald-Telephone), former Rep. Brian Kerns (television journalist), as well as State Sen. Brandt Hershman (Valparaiso Vidette-Messenger), and State Reps. Murphy and Walorski, both South Bend broadcasters.

The background of members of Congress shifts with the times. After war, many come from the ranks of military, as Buyer did following the 1991 Desert Storm invasion of Kuwait. This catapulted him to an upset win over Rep. Jim Jontz after hiking across the district in the boots he wore during the invasion. Former U.S. Reps. Andy Jacobs and Adam Benjamin served in the Marine Corps, during the Korean War. In his book "The 1600 Killers," Jacobs originally signed up for the spiffy USMC uniform so he could impress women on dates. It wasn't so fashionable by the time he got to Korea and came across a Chinese patrol as he was removing wounded U.S. soldiers from the battlefield. By a chance of fate, the Chinese commander spared his life (for which Rep. Jacobs had the chance to thank the Chinese ambassador decades later at a White House reception).

U.S. Sen. Vance Hartke, U.S. Reps. Bud Hillis, Richard Roudebush, David Dennis, Ed Roush, Shepard Crumpacker, Ross Adair, John Myers and Bill Bray served in World War II and then represented Indiana during the 1950s, '60s and '70s. Some were heroes, with Adair taking part in the D-Day invasion while Crumpacker commanded a fighter

squadron.

The current class of congressional members came of age in the aftermath of the unpopular Vietnam War and did not pursue military careers. Of the current delegation, only Buyer, Burton (U.S. Army) and Lugar (U.S. Navy) served in the military.

If Rep. Brown enters the 4th CD race, he will become the fourth medical doctor in Indiana to seek a congressional seat this cycle, joining Republicans Dr. Larry Buschon in the 8th CD, Dr. John McGoff in the 5th CD, and Democrats Dr. Tom Hayhurst in the 3rd CD, and Dr. Nasser Hanna in the 5th CD.

Today's candidates with hopes of a Capitol Hill career are more likely to come from staff or business backgrounds. Hill and Burton have insurance backgrounds, former congressman Mike Sodrel is a trucking company executive, former Congressman Chris Chocola was an agriculture business executive, Sen. Stutzman is a farmer, Senate candidate Don

Bates Jr. is a financial adviser, Senate candidate Richard Behney owns a Carmel plumbing company, former Rep. John Hostettler was an engineer, and the rest come from law and legal backgrounds, including the 9th CD's Todd Young, who is deputy Orange County prosecutor.

With the health care debate still simmering on Capitol Hill, Buschon's challenge to Rep. Ellsworth; McGoff's and Hanna's to Rep. Burton; and Hayhurst's to U.S. Rep. Mark Souder, R-Fort Wayne, signal that the issue of health reform will be a dynamic one throughout Indiana during the 2010 election cycle. ❖

Origins of the Indiana Delegation

- Sen. Lugar:** Indianapolis mayor, IPS school board
- Sen. Bayh:** secretary of state, governor
- Rep. Visclosky:** staffer to U.S. Rep. Adam Benjamin
- Rep. Donnelly:** lawyer, former legislative candidate
- Rep. Buyer:** lawyer, U.S. Army
- Rep. Souder:** lawyer, staffer to U.S. Sen. Dan Coats
- Rep. Burton:** insurer, state representative and senator
- Rep. Pence:** lawyer, broadcaster
- Rep. Carson:** excise policeman
- Rep. Ellsworth:** Vanderburgh County sheriff
- Rep. Hill:** insurer, former state representative



U.S. Rep. Richard Roudebush (right) with NASA's Werner von Braun. Roudebush was a World War II demolition expert.



Farmland taxes to see big increases

By LARRY DeBOER

WEST LAFAYETTE - Around the turn of every year Indiana's Department of Local Government Finance announces the new base rate for farmland. The base rate is a dollar amount per acre, and it's the starting point for assessing farmland for property taxes.



Two years ago the DLGF announced the base rate for taxes in 2009 at \$1,200 per acre. A year ago it announced the base rate for 2010 taxes, \$1,250 per acre. And on Dec. 31, 2009, the base rate for 2011 taxes was announced. It was \$1,400 per acre. There's a pattern here: up.

You can see the base rate announcement and all the numbers used for the calculation on the DLGF's Web site, <http://www.in.gov/dlgef>. Click on "Assessments" under "Information for Taxpayers," and you'll

find an agricultural link.

To assess farmland for property taxes, the base rate is multiplied by a soil productivity factor, so more productive land has a higher value. Some assessments are reduced by an influence factor, which accounts for things like frequent flooding or forest cover. The resulting assessed value is multiplied by the local tax rate to get the tax bill.

The DLGF calculates the base rate with a capitalization formula. The income that can be earned from growing corn or beans on an acre, divided by an interest rate, is the amount a reasonable investor would pay for the land. This is called the "use value" of the land, because it counts only its value for growing corn or soybeans.

Some farmland is extra valuable because it could be developed for residential or commercial use, but that doesn't affect its use value. This is a tax break for farmland owners, especially those with land near cities, where development is a possibility.

Each year the DLGF recalculates the base rate with updated prices, yields, rents, costs and interest rates. It adds the latest year into a six-year rolling average and an earlier year drops out. The base rate goes up if the use value of the new year exceeds

the use value of the dropped year.

That's been happening. Corn and bean prices were much higher in 2007 and 2008 than they were earlier in the decade. Land rents are up. Costs have increased but not as much. Interest rates have fallen. The capitalization formula is producing higher values for recent years compared to earlier years. When the recent higher values are added and the old lower values are dropped, the base rate increases.

There's a four-year lag from the data to the base rate used for the tax bill. The base rate for 2010 taxes is calculated using data from 2001-06. The base rate for 2011 taxes uses data from 2002-07.

We already know the data for 2008 and almost all the data for 2009. We know how the calculation is done. So we can predict the base rates for taxes in 2012 and 2013. Run the new data through the calculation, add the new year and drop the old, and the results are base rates of \$1,700 for taxes in 2012 and \$1,810 for taxes in 2013.

That's a 21-percent increase in 2012 and another 6-percent increase in 2013. The base rate was \$880 for taxes in 2007, so it will more than double over six years. The main culprits are the very high corn and bean prices in 2007 and 2008, which first enter the calculation for 2011 and 2012 tax bills.

We're putting caps on property taxes, but they won't hold farmland taxes down. Farmland taxes are capped at 2 percent of assessed value. As assessed value goes up, so do the caps.

A bill that's passed the Indiana House (HB 1004) changes the base-rate calculation, dropping the high and low value and averaging the remaining four years (so it's called the "Olympic average").

Such a revision would reduce the \$1,700 base rate to \$1,590 for 2012. The bill would also limit the year-to-year increase in property tax bills on land and buildings (but not business equipment) to the rate of inflation. That would cut farm tax increases a lot - and reduce revenue for rural local governments. ❖

DeBoer is a professor of agriculture economics at Purdue University.





The Age of Facebook

By **KATIE COFFIN**

INDIANAPOLIS -- The new trend of social networking is paving the way for politics to become a much more intimate process. With the click of the mouse and an accepted friend request, politicians have the ability to communicate directly with their constituents through Facebook.

U.S. Rep. Mike Pence used Facebook to announce to more than 14,000 supporters and constituents that he would not challenge U.S. Sen. Evan Bayh.

Politicians ranging from candidates for Congress to former Alaska Gov. Sarah Palin and even the White House are using Facebook to shrink the communication gap with constituents or supporters. Palin's page is used mainly for "notes" promoting her ideas and taking shots at the current administration. The White House page updates followers on President Barack Obama's activities and statements.

As of now, the Indiana Senate Republicans do not have an official Facebook page because Communications Director Scott Minier said their office sees it as more of a personal rather than political platform. He said he's not ruling it out for the future and that he still encourages individual senators to pursue one, though. The Senate Democrats, however, do have a page with 461 followers. It is run by the Indiana Senate Democratic Campaign Committee, and the page has recently been updated with Democratic candidates who have filed to run for the state Senate.

Minier said their caucus is taking a wait-and-see approach to observe how social networking plays out in the political world. He said the Obama administration recently posted video spots on YouTube of the president in Massachusetts the Sunday before the election. Minier checked the website five hours after the post and it had only received about 300 hits. That response made him question whether social networking is the best use of tax dollars.

"We're focused more on mainstream in talking directly with the voters in terms of e-newsletters, e-invita-

tions, e-surveys, direct mail, town meetings," Minier said. "We'll monitor [social networking in politics] and we'll probably revisit that after session."

Some local politicians have individually found a use for Facebook to keep up with constituents on a more personal level. Rep. Vern Tincher, D-Riley, and his wife work jointly on his page. He said he'll even occasionally chat with inquiring "friends" about issues.

"We get a lot of exchange of conversations and information," Tincher said. "We try to do a sentence or two every day about what we're doing here, and people like it."

Tincher said he still uses the traditional forms of communication with constituents, but that Facebook gives them the opportunity to see what he's doing on a daily basis. He said he'll also post photos of things he's done, like when he recently pumped gas for United Way.

"It lets people know you're just like they are, you do all the things they do," Tincher said.

State Rep. Mike Murphy, R-Indianapolis, uses his Facebook page to update his 947 followers about the Legislature's activities and his Congressional campaign versus U.S. Rep. Dan Burton.

"It's for people who are at work and may not have the time to be watching us online," Murphy said. "It's just a way to provide some instantaneous updating for people, and an opportunity for them to give me some instantaneous feedback on whether I did the right thing or whether I screwed up."

State Sen. Mike Delph, R-Carmel, said he was dragged "kicking and screaming" into the Facebook age by his teenage daughter. His daughter told him that he would get more volunteers to walk with him in parades if he joined Facebook. It turns out she was right.

"I like to think that a lot of that's because of the support I've garnered from my service in the legislature, but there's no question that the communication tool has been a great benefit," Delph said. ❖



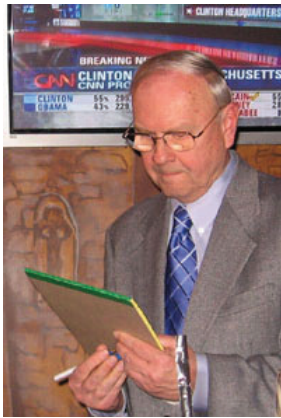
State Sen. Randy Head checks out his Facebook page. (HPI/Franklin Photo by Ethan Leffel)



Indiana direct mail drops on Massachusetts

By JACK COLWELL

SOUTH BEND - Hundreds of thousands of political mail pieces prepared in Indiana hit in Massachusetts, part of the perfect storm that Democrats couldn't weather as Republican Scott Brown won the Senate seat long held by Ted Kennedy.



Faulkner Strategies in Granger designed and printed the direct mail messages for the Brown campaign.

"No way," thought Chris Faulkner, vice president of the firm, when people he knew in the Brown campaign called 11 days before the election to say an upset to shock the political world was looming.

"Scott Brown? Massachusetts? Are you kidding me?" That was Faulkner's initial reaction.

But the Republican consultant, whose firm prepared over 13 million pieces of direct mail for GOP candidates in races around the nation in 2008, was of course willing to prepare mailings that the Brown strategists wanted for the crucial campaign close.

It became more than business. Faulkner got so wrapped up in the effort, with three different mailings that hit mailboxes on the Wednesday, Thursday and Friday before the election, that he flew to Boston that weekend and contributed money to Brown's campaign, a violation of the consultant credo that money is to be received, not given, in campaigns.

"I still thought it was unlikely," Faulkner said of his view of a Brown upset as he arrived in Massachusetts.

But Faulkner was convinced it would happen after seeing the "madhouse" of enthusiastic volunteers, hearing of contributions in such volume that all the funds could not be sent before the election and viewing the campaign office with handwritten notes from supporters covering the walls from floor to ceiling.

Perfect storm it was. And Faulkner said nobody contributed more to that than Martha Coakley, the Democratic nominee. She did everything wrong. She was coasting, thinking the election was in the bag, as Brown worked hard and effectively to bag her. It was a disaster, from Massachusetts being misspelled in a TV spot to her inexplicable interview assertion that Boston Red Sox hero Curt Schilling, who supported Brown, was "a Yankee fan."

Faulkner said the contrast in the direct mail efforts showed that Brown had a theme, while Coakley had desperation.

"Did mail win the race? Of course not," said Faulkner, who stressed that he makes no claim of being instrumental in the upset.

But the three mailings he prepared carried short, clear messages the Brown strategists wanted and showed the smiling, photogenic Brown.

The first had a photo of Brown with his family and only eight words on the front: "Scott Brown - United States Senate - Vote Jan. 19th."

Since this was a special election, the type often ignored by voters, Brown's strategists wanted to make sure voters kept the date in mind. The back, with a brief resume of Brown, included the location of the polling place for the recipient.

The second mailing also stressed the election date, with a calendar showing "Brown Tuesday," and offered just two dozen words from the candidate: "With your support and vote on Tuesday January 19th, I'm confident we can begin the work of putting America back on the right track."

The third mailing carried the most powerful message of Brown's campaign, expressed in 11 words: "Kennedy's Seat - Democrats' Seat? No. It's YOUR SEAT! The people's seat."

Faulkner, a former St. Joseph County Republican chairman who had key roles in the campaigns of former Congressman Chris Chocola, said the Coakley mailings certainly didn't by themselves cost her the election, but they did reflect the mixed messages and ineffective, desperate efforts of her failed campaign.

"She was trying to say he (Brown) is George Bush," Faulkner said of Coakley's campaign-close efforts to link Brown with the former president, whose unpopularity hurt Republican candidates in 2008.

This wasn't still a 2008 election. Faulkner said Brown tapped into unpopularity of health care proposals now, unhappiness with the direction of the country now and disdain for incumbents, those in office now.

Faulkner said that Coakley, though not the incumbent senator, came across as the candidate of Democratic incumbents in Washington, while Brown seized an image of independent challenger.

Although this was a huge Republican victory, Faulkner is cautioning Republican incumbents that the storm swirling out from Massachusetts is anti-incumbent, not just anti-Democrat. ❖

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



Daniels expresses optimism for economic turnaround

By JULIE CROTHERS

INDIANAPOLIS - Amidst a review of legislator's successes following Wednesday night's deadline to pass bills across the chambers, Gov. Mitch Daniels struck a cord of optimism this morning with the release of January's state budget reports.

Total tax collections for January held steady at \$1.15 billion, down 7 percent from the same period last year and \$75 million below last month's figures.



"The leakage is less than it has been, and particularly on the sales tax side, there's a very clear pattern of recovery," Daniels said.

Sales tax, the largest source of state revenue, totaled \$573 million for the month, down \$9 million from December.

Individual income tax collections are now some \$784 million below the June 2009 forecast and \$27.2 million behind last month's figures.

Daniels said the report "underscores the need for the general assembly to pass our savings bills" and that it's a sign of recovery that Hoosiers are slowing starting to spend once again.

"All the actions we've taken so far are absolutely necessary," he said.

Although the report reflects an ongoing weakness in the overall economy, Daniels said, signs that businesses were starting to profit and paying taxes are cause for some celebration.

Also Thursday, the governor boasted "so far so good," in his review of the assembly's work toward passing bills to benefit Hoosier jobs.

"(The General Assembly) help us, unlike almost every other state in America, avoid tax increases," Daniels said.

He said that by passing budgets with some restraint, Hoosier lawmakers gave the flexibility to make other reductions if necessary.

In coming weeks, Daniels said he would stand behind bills those bills that would save \$70 or more billion, township and local government reforms and the education bill to prevent social promotion of Indiana students.



Governor to work during Super Bowl weekend

Gov. Mitch Daniels is headed to Miami for the Super Bowl, but it won't be all football for the Indianapolis Colts fan (Associated Press). The governor's office says Daniels will arrive in the Miami area on Friday afternoon. His schedule includes some economic development meetings and a meeting with members of the Indianapolis Super Bowl Host Committee. Indianapolis will host the Super Bowl in 2012.

Daniels will host about 300 people at an Indiana Economic Development Corp. event Saturday at a venue in the Coconut Grove neighborhood of Miami. His schedule for pre-game or post-game activities on Sunday isn't set yet. ❖

The Washington Post

SATURDAY, DECEMBER 29, 2007

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

HOWEY
Politics Indiana



Governor's ship of state losing sailors

By **MORTON J. MARCUS**

INDIANAPOLIS - January 19th Gov. Daniels delivered his State of the State (SotS) address. I hope you heard or read it. If not, you can go to the governor's website and read it. It has a nautical theme and will lift your spirits.



Morton Marcus
Column

That's what this annual speech is supposed to do. Make us feel better about who we are, where we are, and where we are going. Just a few days later, President Obama did the same for the nation. Now all of us can get on with shopping for Valentine's Day.

The SotS message puts the legislative branch particularly into convulsive congeniality. Every

governor is the official captain of the state's cheerleaders. Their message inspires the clever, artful gymnastic exercises by our General Assembly. The members climb on each other's shoulders, flip in the air, and always land gracefully on their feet.

Sadly, these efforts rarely have any positive effect on the team, the more than six million Hoosiers slogging through the mud on the fields of reality. But the legislative chambers are not the place for reality.

Gov. Daniels offered a strong platform for progress in difficult times. He encouraged continued reduction in governmental excesses at the local level. But someone fed him the wrong facts on what has been done. For example, the governor said the legislature "reduced the number of cooks in the assessment kitchen by about one thousand."

Yes, there are far fewer township assessors, but how many fewer persons work on assessments today in Indiana? In many counties, former township assessors are now on the county payroll instead of the township rolls.

It was good to hear that the state could save 40 to 50 million dollars by changing the way it pays investment fees for its retirement funds. One does wonder, however, why that step was not taken earlier in this cost-

conscious, detail-oriented administration.

He supported the fatuous constitutional caps on property taxes while giving nominal encouragement for less politics in the redistricting process that is approaching.

I was cheered by the governor's declaration that only "one in eleven workers is unemployed." However, it troubled me when I realized that the governor should have said "one in ten workers."

"Oh," you say, "nit-picking, fault-seeking, fatuous figure freak, that's of no consequence."

I agree. What difference does it make if the governor neglects nearly 25,000 unemployed Hoosiers? Probably they weren't listening to his speech; certainly the media representatives and most members of the legislature wouldn't care.

What troubles me is that Gov. Daniels was not fed the right information about unemployment in Indiana. Our unemployment rate may be below the national average and below those of surrounding states, but those facts do not tell the real story.

From the end of 2007 to December 2009, Indiana lost 274,000 employed workers, a decline of 8.9%, and the third worst percentage decline in the nation, behind only Alabama and Michigan. Yet, the number of persons unemployed in Indiana rose by only 161,000. Our labor force (the number employed plus the number unemployed)

fell by 113,000. To make this statistic clearer - of every 100 Hoosiers who lost jobs, 59 became unemployed and 41 left the labor force.

What is going on? If this is not a wild statistical anomaly, then what does it mean for our economic development and education policies?

The demographics of our state are the foundation of our future. In this U.S. Census year, this issue should have been a major concern of the governor's SotS address.

Are these Hoosier workers retiring or abandoning market employment? Are they leaving Indiana? Are they unemployable except in the closed factories of inefficient companies? The governor discussed new jobs for Hoosier workers. But, if two of every five job losers are not seeking work, what does it say about the State of our State? ❖

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





Gary Gerard, Warsaw Times-Union: Now here's a case where I completely agree with President Obama and the Democrats. Last week's US Supreme Court ruling on campaign finance was supremely stupid. Seriously. In a sharply divided 5-4 vote, the court overturned decades of precedent and common-sense limits on corporations and unions with regard to political spending. The court ruled that corporate political spending cannot be limited. Now, that doesn't mean that corporations can give money to political candidates or political parties - yet. But they can spend all they want on ads promoting or attacking their candidates. (My guess is that it will be mostly attacking and not so much promoting.) If you thought the Swift Boat ads were bad, just wait. This next election cycle is going to be littered with attack ads. The only hope now is for transparency. Congress already is looking at some options - measures that would counter the deep-pocket, unbridled corporate and union spending that is virtually certain to materialize. All these measures are being put forth by Democrats, by the way. Good for them. Some of the things they're looking at include requiring the approval of the shareholders before a corporation can fund political advertising and blocking corporations from deducting election spending as a business expense. Congressional Dems also may propose a measure requiring the CEO of the corporation to make a declaration at the end of the ad. You know, like if Apple ran an ad you would hear, "I'm Steve Jobs, CEO of Apple, and I approve this message." One congressman already introduced a constitutional amendment to reverse the decision, but that bill has a snowball's chance in Phoenix of passing. So as it stands, unions and corporations can spend limitless amounts of money to buy political ads. This is because - the conservative majority ruled - political speech can't be infringed. Ah, the First Amendment. "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." I don't pretend to be some deep-thinking Constitutional scholar or anything, but I think the Founding Fathers - throughout the Bill of Rights - were talking about individuals. I'm not gettin' where these corporations fit in with regard to free speech and the First Amendment. ❖

Amos Brown, Indianapolis Recorder: Those of us who support President Barack Obama have held our fire for months while we watched the president be attacked by his zealous, bigoted rightwing enemies. We fretted as the racist talkshow hosts and the unbalanced (mentally

and journalistically) Fox News Channel savaged President Obama at every turn. We winced as the president's health care fight got bogged as he and his administration were seemingly unable to overcome the onslaught of negative, misleading ads from health care reform opponents. While the president was distracted, unemployment remained stubbornly high, especially in African-American communities; the billions in stimulus money not having an impact. Banks are making billions in profits; millions in bonuses, but not helping folks refinance their homes, or lending credit to our businesses or consumers. Then the defeat in Massachusetts has put President Obama and Democrats on the defensive - fighting against a resurgent right, fueled by those racist tea party zealots egged on by the talk show and internet blogger bigots and their allies in mainstream media. Instinctively our Black community's known what our president and Democrats needed to do for months. Fight back! The Republican rightwing plays for keeps. They know what they want and they'll stop at nothing to get it. ❖



Sylvia Smith, Fort Wayne Journal Gazette: Want a measurement of Sen. Evan Bayh's political nervousness? He's reviewing scripts for campaign commercials and expects to have them in front of Hoosier TV viewers in late February, the state party chairman and Bayh adviser said. On the air before spring, with no primary opponent in sight, no likely GOP powerhouse contender, and the election nine months away? Wow. That's a pretty startling piece of information, and it's indicative of the uneasiness that's enveloping incumbents - especially Democratic incumbents, but not only Democrats. Bayh has run for statewide office five times, and it's safe to say that the results demonstrate he is - or has been - very popular. Bayh got more than six out of every 10 votes cast during his two Senate races, and he received more popular votes in 2004 than any Senate candidate in Hoosier history. Obviously, plenty of Hoosier independents and Republicans voted to send Bayh to the governor's mansion and then to Congress. He has never drawn intimidating GOP opposition, another indication of Bayh's solid standing over the past two decades. But this year is not 2004 or 1998. Bayh can't count on the continued acceptance from independents and Republicans. The kind of Democrats who were energized in the Obama race are none too pleased with Bayh, so he's on shaky ground there, too. The fact that GOP leaders were trying to recruit Rep. Mike Pence to challenge Bayh - and that he appeared to consider the idea - is a clue that Republicans think Bayh is vulnerable this year in a way he has never been. ❖



Dobis a 'free agent'; calls Bauer 'paranoid'

INDIANAPOLIS - State Rep. Chet Dobis, D-Merrillville, is not leaving his political party, but his removal from the House Democratic leadership makes him a "free agent" when it comes to voting on legislation, he said Wednesday (Carden, Times of Northwest Indiana). "I'm a Democrat, and I'm not going to change my stripes, but I do feel that I now have the freedom to vote as I please," Dobis said. "I don't feel bound by anything, and I was when I was in a leadership position." House Speaker Patrick Bauer, D-South Bend, removed Dobis as speaker pro tempore, the No. 2 position in the Democratic-controlled Indiana House on Tuesday. Bauer said Dobis' decision to buck the party line on a committee report vote last week meant he no longer could be a part of the House leadership. The House met only briefly and took no votes Wednesday, so Dobis didn't get to exercise his newfound voting freedom. But the 20-term state representative told The Times that "if it's good for Lake County or Northwest Indiana, you can bet I'll give some heavy consideration to voting whichever way I feel." That could include cooperating with House Republicans and Republican Gov. Mitch Daniels on an Illiana Expressway project, he said. Dobis worked with Daniels to create the Regional Development Authority in 2005. "Come November, the speaker may not be the speaker anymore, I'm not sure, but I know the governor will be governor," Dobis said. Dobis said Bauer's tenuous hold on his position as speaker of a Democratic majority in the House is making him "paranoid" about the governor. "I think he must see him in his dreams because he's



always lurking in the shadows even when he's not even around," Dobis said. "You don't get positive things done that way." In the House last week, state Rep. Terri Austin, D-Anderson, tried to add new conditions to the state law governing public-private partnerships. Among the conditions, projects such as the Illiana would need approval from every local government the road touches before work could begin. That proposal, supported by the speaker, was designed to stop the Illiana, Dobis said. Last Thursday, Dobis joined 48 Republicans in voting against a committee report containing Austin's proposal. That led to a 49-49 tie, killing the measure. For defying the speaker on that vote, Dobis lost his leadership position. But he has no regrets about doing what's best for his constituents, he said. "I can tell you that nobody on God's green earth is going to tell me what's best for Lake County. Not anybody from South Bend, no matter what his position is, and not anybody from Anderson, Ind., no matter what her position is," Dobis said.



East Chicago Mayor Pabey indicted

EAST CHICAGO - East Chicago Mayor George Pabey has been indicted on federal corruption charges alleging he embezzled city funds and illegally used city workers to remodel a house he bought with his daughter in Gary's Miller Beach neighborhood in December 2007 (Hinkel, Times of Northwest Indiana). Pabey, 59, and city worker Jose Camacho, 52, were charged in a grand jury indictment Wednesday in Hammond federal court with conspiring to divert city money and resources toward improving Pabey's Gary property. Camacho, a former engineering department division su-

pervisor who now works at the city's marina, is also charged with trying to persuade other city workers to lie to federal investigators about work the laborers allegedly did on the house while they were on the clock for the city. Camacho and Pabey, a two-term mayor and former city police chief, are expected to surrender to authorities today to face an initial appearance before a judge. City spokesman Damian Rico issued a statement on Pabey's behalf Wednesday, saying the mayor did "nothing improper or illegal." The statement says Pabey cooperated with federal investigators. Pabey plans to fight the charges and clear his name of the "false allegations," according to the statement. "I am shocked beyond expression that these allegations have been made by the government," Pabey said in the statement. "I will not be distracted by this event in continuing to conduct the business of my office on behalf of the people of East Chicago." Federal authorities claim that between late 2007 and August 2008 a crew of four "skilled laborers" supervised by Camacho worked on the home. The laborers and Camacho, who made a \$62,896 yearly salary as of 2009, poured concrete, painted and installed new appliances and furnishings, occasionally under Pabey's supervision, according to the indictment.

Pence to keynote New Hampshire gala

MANCHESTER, N.H. - U.S. Rep. Mike Pence (R-Indiana) will make his first trip to New Hampshire, keynoting a major Republican dinner historically known as a stop on the way to a presidential run (Pindell, Politics New Hampshire). Pence will be the keynote speaker the Hillsborough County Republican Committee's Lincoln-Reagan Gala on March 19. "We are very excited to be hosting Congressman Pence on his first visit to New Hampshire. This will be a great opportunity for Granite Staters to hear from Congressman Pence who holds



the third ranking position in House Republican leadership in Washington DC," said Hillsborough County GOP Chairman Stephen Stepanek.

Hamilton GOP supporting Wyser

NOBLESVILLE - Hamilton County Republicans are rallying around David Wyser, their only announced candidate for prosecutor, in the wake of questions about his campaign finances (Indianapolis Star). Wyser, chief trial deputy in the Marion County prosecutor's office, has been criticized for a \$2,500 donation that he received last year from the father of Paula Willoughby, a convicted murderer whose jail term Wyser agreed to reduce. "Over the last few days, I've been contacting my supporters and offering them as much information as they want in regards to the Willoughby matter," Wyser said Tuesday. Hamilton County Sheriff Doug Carter took Wyser up on his offer. The two spoke over the weekend, and Carter said he still supports Wyser. "I got a very different account of the process than what was reported," Carter said.

Donnelly vows to save Humvee

WASHINGTON - Congressman Joe Donnelly vowed Wednesday to fight the Army's plan to stop buying Humvee military vehicles from AM General's plant in Mishawaka (South Bend Tribune). The Granger Democrat said he is "extremely disappointed" the Army chose to exclude AM General from its proposed budget for the 2011 fiscal year. He said the decision is "wrong-headed" for a vehicle that "has saved many, many lives," but he stressed that it's still early in the budgeting process. Congress needs to act on the Army's budget request before October, when the federal government's new fiscal year begins. The Army released its proposed budget Monday, and a spokesman

explained Humvees are not the best-suited vehicles for the war in Afghanistan. "We will be in the fight the entire way to make sure that our workers are protected and to try to keep as much work in the area as possible," Donnelly said.

Donnelly says Afghanistan situation stabilizing

WASHINGTON - More and more progress is being made in Afghanistan, U.S. Rep. Joe Donnelly said Wednesday, a fact he's charting with his own eyes (Weinhold, Elkhart Truth). Donnelly, D-2nd, and four other members of Congress traveled to Afghanistan and Pakistan last week, the third trip the Granger representative has made in three years. In the midst of a 30,000-soldier increase in the country, Donnelly said signs of stability are evident. "This surge gives us the opportunity to provide additional safety, clear areas of control," he said in a conference call with reporters. "Those things are being done now and they give us a better chance at success."

Councilman Ploughman under investigation

INDIANAPOLIS - He was with the Marion County Sheriff's Department before the merger of the police and sheriff's departments in 2007 (Indianapolis Star). Plowman was elected to the City-County Council in 2003. He represents the 25th District, which takes in Franklin Township. Plowman became the council majority leader in 2007; he held that post until this year.

Councilman Smith resigns in Indianapolis

INDIANAPOLIS - A City-County Council leader with growing potential in the local Republican Party has resigned his council seat because of a new active-duty military job (Indianapolis Star). Kent Smith, an at-large

councilman elected to his first term in 2007, announced his decision Wednesday. He accepted a full-time position as a medical noncommissioned officer with the Indiana National Guard, and a Department of Defense policy bars those on active duty from serving in elected office. Smith, who previously served in a nonactive-duty Guard role while on the council, said he could have applied for a waiver but decided against it. Time and travel demands of the new position would have made it difficult to make time for the council, he said. "The citizens of . . . Indianapolis deserve council members that can devote adequate time and resources to move our city forward," Smith said.

Grand jury reconvenes for Harrison sheriff

CORYDON - Scheduling conflicts have forced grand jurors hearing evidence in the sexual harassment investigation of Harrison County Sheriff Mike Deatruck to delay reconvening until March 8. Once the county grand jury is back together, however, the goal is to complete its proceedings without another interruption, according to special prosecutor Nancy Jacobs (Louisville Courier-Journal). "My intention is to work straight through until all evidence can be given to the grand jury for deliberations," Jacobs said Wednesday. "We have had some scheduling issues on various people's part trying to make things work (for) getting back together." The grand jury was selected in October to review evidence from an 18-month Indiana State Police investigation of complaints made against Deatruck by two women who worked as dispatchers at the sheriff's department. The women, Deana Decker and Melissa Graham, accused Deatruck of touching their breasts and making lewd comments - and later of attempting to intimidate them by displaying a handgun one night while the two were at work.