



Pence is a man with options

Congressman won't say whether he'll seek the Indiana governorship

By **BRIAN A. HOWEY** and **MARK SCHOEFF JR.**

INDIANAPOLIS - Mike Pence has the whole world in his hands.

The House Republican Conference leader could find himself as the third-ranking member in the lower chamber if his party wins control on Nov. 3. There will be talk of a potential 2012 run on the national ticket. Or, the most-speculated move with great anticipation from many supporters and allies back home in Indiana: he comes back and runs for governor. And possibly against Democrat Evan Bayh, setting up a scenario that mirrored last January when the two pondered the U.S. Senate seat.

Pence's attention is riveted to Nov. 3. "Politicians always say the next election is the most important of our lifetime," Pence said Tuesday at the Howey Politics Indiana offices in Broad Ripple. "And you know, my punch line for a politician is that's always true. Always true."

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U.S. Rep. Mike Pence has a slew of career options, but he is holding them very close to his vest. (HPI Photo by Brian A. Howey)

Journey into the Blue

By **BRIAN A. HOWEY**

INDIANAPOLIS - "Hey, I want to get involved with this guy," was the message from Kip Tew, the former Indiana Democratic chairman.

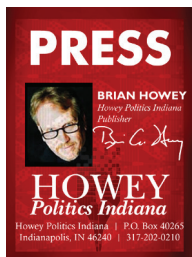
This request worked its way up the exclusive food chain of the Obama presidential campaign and Tew became a senior adviser to the campaign. It gave the Democrat an inside view of the extraordinary campaign and produced the first book - "Journey to Blue: How Barack Obama Won Indiana in 2008" - from an Indiana perspective.

The book is full of interesting yarns



"Politics, not war, has broken out in Iraq."

- Vice President Biden, to the VFW convention in Indianapolis on Monday





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and nuggets and packed full of names of Democratic insiders who populated the rival campaigns of Obama and Hillary Clinton, who was expected to win big with the backing of U.S. Sen. Evan Bayh and much of the state's party establishment.

From that standpoint, the folksy book will be an important historical reference point from an insider.

In the past, it might have been journalists who would have been in the best position to gather a wide account of the amazing events of 2008. In the 1968 Democratic primary, journalists like Jack Colwell of the South Bend Tribune had direct access to Robert F. Kennedy and Eugene McCarthy. I remember my father, Jack Howey, coming home one night from his job as managing editor of the Peru Daily Tribune and announcing to the family that he spent the day with McCarthy.

As late as 1992, I spent an entire afternoon with Hillary Clinton as a reporter for the Fort Wayne Journal Gazette as she stumped Indiana for her husband in his race against Jerry Brown and Paul Tsongas. We ended up in remote places like Arcola, and it gave reporters intimate access.

The volatile Clinton presidency that lurched from policy conflicts with health reforms, to Whitewater, to the Lewinsky scandal and impeachment has essentially restricted access of candidates to reporters.

Walter Shapiro, writing in the 2008 campaign for Salon.com, regaled a number of us during a bourbon fest around a campfire at my cabin about how access had hit a new low during the 2004 campaign. Shapiro

was part of the press pool covering President Bush's reelection and ended up in a nondescript hotel in central Missouri, only to be brought to an auditorium where the campaign said reporters could watch Bush appear on the Oprah Show 300 miles away in Chicago. It was a sea change from the days Hunter S. Thompson ventured out on Ed Muskie's campaign bus.

So the campaign insider like Kip Tew becomes the eyes and ears for history, though he didn't spend much time with the candidate either.

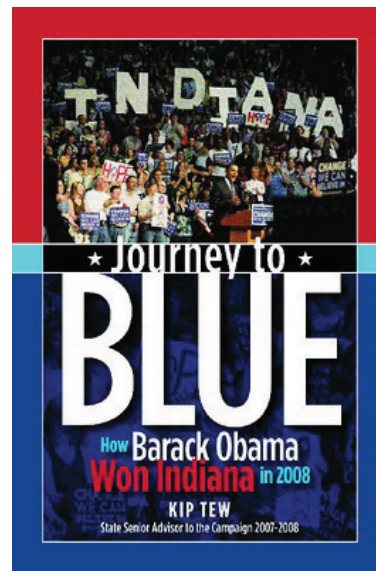
From an Indiana perspective, such a glimpse is rare. Colwell was there to cover the intense 1968 primary and it would be rare that presidential campaigns spent much time in

the state other than to raise money. There was the 1976 Republican race between President Ford and Ronald Reagan, the 1992 Clinton-Brown race, and a full 40 years before the epic Clinton/Obama race.

"The spectator state," Tew says. "The fly-over state. Call it whatever you want to call it but during my adult lifetime, Indiana was virtually ignored by presidential campaigns."

He sheds some interesting new angles on the late May primary, such as the county clerks association is "opposed to it because it would mean more work." And so are legislators who wouldn't want to campaign during a session.

For Democrats, there was the antagonistic Eugene C. Pulliam regime at the Indianapolis Star which was a further impediment. That changed by 2008, with Tew observing, "The influence of all the nation's newspapers has declined dramatically over the last





decade. It has been especially precipitous in Indianapolis" where "cost-cutting moves (have) reduced its political and governmental coverage."

"Journey to Blue" sheds light on some - not all - of the dramatic developments that led to the historic primary. Bayh's withdrawal from the race in December 2006 was seen as a correct assessment that Obama and Clinton were drawing all of the oxygen. "Bayh was flying at 36,000 feet with no mask," Tew writes. "He quickly realized this and rather abruptly ended his quest. He was proven correct about his assessment."

But when he endorsed Clinton in September 2007, "Bayh went completely against type He calculated that when May of 2008 rolled around, his endorsement would mean very little in Indiana. He could not have been more wrong."

This set up a couple of dramatic showdowns. One came on Dyngus Day, which would be attended by President Clinton with St. Joseph County Chairman Butch Morgan backing Hillary. "Not wanting it to be an entirely Clinton-dominated event, we brought an Obama contingent to South Bend," Tew said. But when he invaded a perimeter made up of bicycle racks around the West Side Democratic Club, "I was told by a Clinton worker that it was a secured area." Tew refused to budge and take down Obama signs. "It almost came to fisticuffs."

A second showdown came at the Jefferson-Jackson Day Dinner in Indianapolis on the Sunday before the primary. Hillary confirmed for the event on April 21 and Indiana Democratic Chairman Dan Parker, who Tew claimed told him in January he preferred Obama, wanted to announce. But Jenny Hill, daughter of U.S. Rep. Baron Hill, held off on the announcement, hoping that Obama would also attend.

"I was pushing for us not to attend the dinner because I thought it would be a Clinton-fest due to Parker's and Bayh's presence at and influence of the event. We wouldn't have any control over what happened, so I simply didn't want to do it. Why would we want to give money to the state Democratic Party, which was trying to undermine us at every move?"

Tew was overruled by the campaign, and Parker "assured us they were going to play it straight." Tew,

however, said that key staffers like Hill and Jennifer Wagner were either openly or privately backing Obama. "So in many ways, it was a very strained situation for Dan" who then turned the administration of the event over to Hill.

There would be no coin flip to see who spoke first. Parker said it would be Clinton. And there would be no candidate introductions, though Bayh would speak. "This is something we simply weren't willing to accept," Tew wrote. "Bayh after all was a Clinton supporter and if he was going to speak, then he surely would give a rousing speech for her. So we decided to have Lee Hamilton introduce Obama."

Parker overruled that. However, Obama supporters "had established a relationship with the sound crew" and after Clinton spoke, "they handed the mic to our guy, who said, 'Ladies and gentlemen, Congressman Lee Hamilton and the next president of the United States, Barack Obama.'" Hamilton and Obama took the stage together and Hamilton introduced the future president. "A lot of us were bothered that Dan would disrespect a man like Hamilton."

As for Bayh, Tew wrote, "In the end though, Bayh gave a pretty fair speech. He didn't say anything bad about Obama." Had Bayh gone uncharacteristically partisan, it would have foreclosed his place in the veepstakes that July and August.

Tew first met Obama when he came to Indiana in October 2006 to raise money for Hill, Joe Donnelly and Brad Ellsworth. In the book "Game Change," authors John Heilemann and Mark Halperin wrote of the event as Obama barnstormed the nation. "Why the f--- am I going to Indiana?" Obama asked before the trip. Alyssa Mastromonaco answered, "Because there are three candidates and they're running out of money. If we can go and raise \$200,000 at this fundraiser, we'll keep them on the air through Election Day."

Rep. Hill would pay Obama back with an April 30 endorsement of Obama. "I knew Baron was really excited about Obama because we'd had conversations over the months about what he was feeling on the ground among young people in his district," Tew wrote. "He really thought Obama was tapping into something unique. Baron did have some loyalty to the Bayh folks, as well as to the Clinton folks, so there was some cognitive dissonance on his part



Barack Obama prepares to take the podium at the Jefferson-Jackson Dinner in May 2008 after former congressman Lee Hamilton ended up with the mic and introduced the candidate. (HPI Photo by Brian A. Howey)



when it came to endorsing Obama. Moreover his district was more inclined toward supporting Clinton, so he took a pretty significant risk by choosing to endorse Sen. Obama. Indeed, all manner of hell and fury rained down on him after he made the endorsement."

Hill's endorsement would have great irony. He is currently in a tossup race with Obama at potential huge liability. In his statement, Hill said, "If we are going to develop real solutions for Hoosier families, for America's families, we have to move past partisan gridlock. I believe Sen. Obama has the capability to change the tone and tenor of politics in Washington. I believe he can and will work with both parties and elevate the level of public discourse."



Author Kip Tew listens to Obama campaign manager David Plouffe prior to the Indiana primary in April 2008. (HPI Photo by Brian A. Howey)

In the end, Obama would lose the primary to Clinton, but barely. Out of the Indiana and North Carolina primaries that day, Obama won 100 delegates and Clinton 87. "I never felt better about not winning an election," Tew wrote. "In spite of having to fight against some of my oldest and closest political allies, the 2008 primary campaign was the most exhilarating campaign I'd experienced."

Of course, Tew's ultimate satisfaction came when Indiana wasn't called at its customary 6:01 p.m. in the November election by the networks. But at 2 a.m. the state went blue. After 44 trips to the state by Obama, "A state that hadn't voted for a Democrat in 44 years, a state with a history of racism" chose

Barack Obama as president." And Parker called Tew up and told him to "get his ass downtown" for the celebration. ❖

Mike Pence, from page 1

"But I tell people I don't think this is the most important election of our lifetime," Pence says. "This is one of the most important elections in the life of this nation."

There is no hint below Pence's frosty head of hair that this is hyperbole. "Because in 2010 the American people are going to choose between left or right. This administration and this Congress have taken the country in a decidedly leftward direction of more government, more spending and more taxes and the American people have the opportunity this year to begin to turn back to the principles of fiscal responsibility, limited government, and I believe that because of that, any looking past this election is ill-advised. I tell people who share my conservative values that the best thing we can do is reverse that leftward turn of national policy. They'll want to see us give the best governor in America; the best legislature in America."

"I want to focus exclusively on 2010," Pence said. "The rest will take care of itself."

But the rest of us are in speculation mode. Will

Pence come back and run for governor? On Wednesday, he was in Evansville campaigning for Warrick County Coroner Ron Bacon in his HD75 open seat race against Democrat Mike Goebel. He campaigned for 9th CD nominee Todd Young, who is trying to knock off U.S. Rep. Baron Hill and Marlin Stutzman up in the 3rd CD. He has stumped for State Rep. Jackie Walorski in her bid to upset U.S. Rep. Joe Donnelly, calling it the "most important" congressional race in the nation. He appeared with 8th CD's Larry Bucshon.

Wednesday evening, Pence was in Evansville for Bacon. "We had a lot of people come we were not expecting," Bacon said. "These were people who were writing big checks. Mike raised the awareness of our campaign."

Pence has raised \$661,000, and according to the Fort Wayne Journal Gazette's Sylvia Smith, in the past six months the Columbus Republican has appeared in 87 Indiana radio interviews, nine Indiana TV interviews, 64 national radio interviews, and 74 national TV interviews. He is picking up chits and IOUs in bundles like no one else - including Lt. Gov. Skillman - the kind that can create a gubernatorial "freight train" that flattens anyone or thing in its path. After six weeks on



Pence, shown here at an Anderson town hall meeting last week, has scheduled another for Columbus on Friday as he continues to keep a high profile. (HPI Photo by Steve Dickerson)



the Indiana campaign trail, he will turn his sights to the Midwest, Pennsylvania and Maryland candidates during September. On Wednesday, Pence gave the National Republican Campaign Committee a \$100,000 check, giving \$1 million for the cycle.

I gave Pence the opportunity to talk off the record, but he urged that the mic be left on. Breaking the story of a gubernatorial run in late August would violate this "most important election in America's lifetime" code, so I asked for context.

After Nov. 3, what happens then? The phone is going to be ringing off the hook. Many Republicans will urge Pence to come back home and run for governor. What factors will he and wife Karen consider at that fork in the road?

"I'll give you a straight answer," Pence said with little hesitation. "And I'll give credibility to it by saying it's exactly how we were going through the decision when we were urged to consider running for the United States Senate earlier this year. We prayed through the decision. And as we sought the counsel of friends, we focused on the question of where can we make the most difference for our ideals and values that matter most to us? For me, that decision in February was to stay in the House of Representatives, keep my hands on the plough, to stay in leadership and do my all to win back a majority in the United States House of Representatives for Republican conservative values.

"That will be the question that we ask with any opportunities we are presented. Where do we believe - after praying and reflecting and seeking counsel - where can we make the most difference for the things that matter most to us?"

It would be an absolute reprise of the Pence vs. Bayh shadow showdown political junkies salivated over last winter. It would pit the undefeated, fiscally conservative and socially moderate former governor Bayh against the man former Indiana Democratic Chairman Robin Winston once called the biggest threat to his party's gubernatorial rule. The script would have Pence

following Gov. Daniels, who has concentrated on economies and not culture during his two terms, earlier this year calling for a national "truce" on the kind of hot button social issues that Pence thrives on, and where his base is built. The script has the Indiana governorship as the foundation on which a national campaign could be built for 2016 or 2020.

A Pence declaration for governor around Thanksgiving might even prompt Bayh to pause, as it would pose the greatest challenge to his undefeated landslide legacy. On his statewide radio show back in the day, Pence always chided Gov. Bayh in basketball parlance: "Evan will always take the layup over the trey."

Several sources tell HPI that some sources close to Bayh don't think he will run. Others suggest that Bayh might head to Purdue University after President France Cordova's contract ends next year.

Without Bayh, conventional wisdom insists Hoosier Democrats would be unable to slow down the Pence express. It works conversely: without Pence, Bayh would feast on Lt. Gov. Skillman or a second tier nominee.

Bayh vs. Pence would be a tossup spectacular, a national attraction, a second marquee headline below "Obama vs. Daniels" (or whomever) with a \$40 million budget. It would be juxtaposition of '08 Obamamania, the August '09 town halls, tea parties and Vanderburgh Right to Life.

It would be a Hoosier political junkie's most coveted dream.

Any comment?

Pence utters a deep, prolonged laugh as a smile splits his face.

There's a basketball goal just outside, I suggest. Care for a trey?

Pence's long laugh continues and deepens. "Good to see ya," he finally says.

Stimulus and politics

Mike Pence was a radio talk show host in August 1994 when U.S. Rep. Newt Gingrich unveiled the "Contract With America" that vaulted the Republicans into leadership for the first time in four decades. Three hours before this HPI interview, House Minority Leader John Boehner was in Cleveland urging President Obama to can his economic team and dangled a 20 percent small business tax cut. The Obama



Pence greets HD36 Republican nominee Kyle Hupfer during a town hall meeting in Anderson last week. (HPI Photo by Steve Dickerson)



stimulus hasn't worked, Boehner said.

Just days before the stimulus passed in February 2009, Pence urged a bipartisan approach. HPI asked him about the size of the stimulus and Pence answered that the "size of the stimulus is less significant than the means" to get people back to work. "Schools and state projects have limited value," Pence said as the unemployment rate stood at about 7.5 percent. "They may have a short-term effect, but the caffeine effect will wear off quickly." He urged broad-based tax cuts similar to President Kennedy in 1961 and President Reagan two decades later. "The American people know we can't borrow and spend and bail our way back to a growing economy. The only thing this bill's going to stimulate is more government and more debt."

On Tuesday, the jobless rate stood at 10.2 percent in Indiana. Republicans have been sharply critical of the stimulus plan, but what is their alternative? A Contract With America 2.0?

"Unemployment was 12 percent in Muncie last June and it's 12 percent this June," Pence said. "Clearly the stimulus bill has failed. I know the Democrats are saying this is the summer of recovery and have pointed to jobs created by the stimulus, but you don't evaluate economic policy by creating subsidized jobs. You evaluate it on whether you've achieved real growth. The stimulus bill fails on all counts."

On Tuesday, the nonpartisan Congressional Budget Office affirmed that view of the stimulus package, estimating that it added as many as 3.3 million jobs to the economy during the second quarter of this year and may have prevented the nation from lapsing into recession (Washington Post). The CBO also said the package will cost about \$814 billion through 2019 - less than the \$862 billion previously estimated. But momentum is fading fast. On Friday, the Commerce Department will revise its estimate of second quarter economic growth. Forecasters expect gross domestic product to have risen at a 1.4 percent annual rate during the April through June quarter - far below the 2.4 percent rate first estimated and below the 2.5 to 3 percent level at which the U.S. economy should expand based solely on population growth and increased productivity.

Pence said that most Americans know you lose weight by eating less and exercising more. "I've spent most of my 51 years looking for a third option," he said, "rather than eating less and exercising more. The analogy is that most Americans know it is the only way you get the economy moving during a difficult recession is for the government to consume less of the economy, allow Americans to keep more of their hand-earned dollars and exercise more discipline in Washington, D.C. Pro-growth tax relief and fiscal discipline have always and will always be the time-honored approach to economic growth. This idea we can borrow or spend or bail our way to recovery has failed and the American people know it."

As for extending the Bush tax cuts and reducing the deficits, Pence said, "We really aren't having a debate over tax cuts. I wish we were. The debate that will take place this fall on Capitol Hill is whether we raise taxes on Jan. 1, 2011. The tax cuts passed under the Bush administration in 2001 and 2003 are the law of the land today. My

first response is I don't know that anyone in Eastern Indiana believes that tax increases ever got anyone hired. The first principle is don't raise taxes during a difficult economy."

"The second response is there is an assumption in Washington that if you lower taxes, government revenues are lowered," Pence said of the cuts that were never paid for during the good times and contributed to the \$1.4 trillion deficit. "That's not been the case when tax rates were lowered in the last 50 years. When John F. Kennedy embraced marginal rate reductions revenues went up. When

Ronald Reagan lowered marginal rates dramatically in 1981 revenues to the government went up."

Contract 2.0

"You will see, at some point this fall, us unveil a governing agenda," Pence promised. "But rather than being from Washington down to the people, what we endeavored to do was to really engage the American people in a dialogue. The thrust has been let's listen and then lead.

"There's a sense I've heard over the last year and





a half that many Hoosiers just feel they're being told by Washington, D.C.

"People poured into the streets at town halls and tea party rallies. People rallied against the Cap-and-Trade bill, against Obamacare and it was still driven through Congress by just a handful of votes. There's a great sense that Washington, D.C., is just not listening. We wanted to develop consensus."

Pence said the GOP plan will be more akin to the Democrats' "Six in '06."

"It will include our ideas for getting the economy moving again, getting spending under control and the way Congress and the government does business," Pence said.

A consistent Republican complaint with President Obama has been that they've been shut out of the process. It comes after Obama repeatedly told Hoosiers at rallies during the 2008 campaign that he would reach out and include Republicans. "Shortly after the inauguration I spoke to Rahm Emanuel," Pence said of Obama's chief of staff. "We wanted the President to come address our conference.

To his credit, the President took questions. But the most telling moment came with the stimulus bill. To me it was a defining moment that would be emblematic of the relationship between the administration, Democrats and House Republicans. The President kept referring to the stimulus bill as the 'bill negotiated in the House.'

"At the end of the meeting, I said 'Mr. President, you have used the phrase 'negotiated in the House' three or four times. I think you deserve to hear from us and members of your staff that there was no stimulus bill negotiated in the House.'"

Pence continued, "The President furrowed his brow a little bit, glanced over to his team and Republicans in the room nodded their heads. I said, 'Mr. President I will tell you the bill coming to the floor tomorrow has no Republican proposals in it whatsoever. We were completely shut out of the process. I regret to inform you tomorrow's vote will reflect that.'"

The next day, Pence said, with Obama's approval rating at 60 percent, the stimulus passed without a single GOP vote.

"That became emblematic of the way the administration proceeded going forward," Pence said. "The trade bill came to the floor with one amendment. The American people have been disappointed by both the liberal policies and the process they've used to advance them. As Republicans going forward, you're going to hear us talk about policy alternatives on health care and energy but you're also going to hear us talk about this heavy-handed, one-

sided legislative process."

A historical fact conveyed by House Rules Committee staff, Pence said, is "This is the first Congress in history to have never considered a single bill under what is known as open rule. It is where anyone can go and offer an amendment. That's an objective fact. Why that's the case, I can't say."

Pence then made the case for a Republican majority. "One of the most intriguing things about a John Boehner as speaker is that he has never failed since becoming minority leader to say that if he was ever handed the gavel, he would not only change the direction of policy in Congress but he would also change the way Congress does business and return it to an institution that respects minority participation."

Is Pence telling us that if the Republicans win the majority, it will not be payback time for Pelosi & Company?

"I'll never forget it was after the Cap-and-Trade vote," Pence related. "A frustrated colleague was on the floor when the vote was cast and we had been offered one



amendment. He said, 'I'll tell you when we get this place back we'll show them.' And I put my hand on his shoulder and said, 'Let me explain something to you. If we ever get this place back we're precisely NOT going to do legislation like this.'"

"I want to say in all fairness the collapse of the process began under Republicans," Pence said. "It began under the Hastert-Delay era and has gone to historic extremes. That's got to be reversed."

Republican health alternative

The heavy-handed majority carried through with



the defining legislation of Obama's young presidency: the health reforms.

Pence was asked why the Republicans didn't take their "alternative" and campaign for it across the land with the party's heavy hitters, earning a position of negotiation at President Obama's Blair House conference and into Congress.

"We had one," Pence insisted, but added, "The fact that was your perception is noteworthy because there was a Republican alternative, on stimulus, on budget, on energy, on health care. It was a directive we issued early on: we would be the party of solutions."

"I'll never forget at that conference with the President when John Boehner introduced him and he handed him a booklet with Republican proposals on energy and health care and stimulus and the President held it up and said, 'OK.' I think because we were shut out of the process, made our alternatives of less public interest than they would have been if we had been given a fair shot, up or down vote."

Pence said the GOP plan on health care was to allow insurance to be sold across state lines, malpractice reform and use the savings to strengthen state guarantee funds that provide for pre-existing conditions. "Those three elements to the Republican alternative we tried to advance to the best of our ability," Pence said. "I still think where the administration and the House Democrats went wrong is they decided to hitch their wagon to universal coverage when I always believed the issue was the cost of health insurance."

Pence recalled that when President George W. Bush tried to push Social Security reform, Pence told him, "With Social Security we have a problem. We have a crisis in small business health insurance. I've had small business owners call me in tears the day they got their premium notice and decided they had to sell their business because they couldn't fire the people they needed to fire to keep the doors open."

"We tried to craft the Republican alternative that lowered the cost of health insurance through increased competition. They were driven by the lodestar of the liberals in their caucus and the White House with the objective of universal coverage. They eventually relented on single

payer. The reason so much opposition to Obamacare has been so durable since that third Sunday in March is because it's dawned on people it is a massive expansion of the federal government's role on the health care economy and will result in the cost of health insurance going up.

"I really do feel we have a chance to repeal and replace."

But how can even Republican majorities overcome an Obama veto?

"It's going to be a two-step process," Pence predicted. "If the American people reward the Republicans with a majority on Capitol Hill, I think we have the ability to use the appropriations process to defund and delay

implementation of Obamacare until we can have a national referendum on the issue in 2012. Unless there's a sea change in his party's thinking in Congress, certainly the President will wield the veto pen outright, although we'll certainly seek that. We'll ask the people whether they want their vision or ours."



Sabato: 'Tremendous influence'

Despite his reticence to declare his future political intentions, it's likely that the outcome of this fall's elections will have an effect on Pence's political trajectory.

If Republicans take control of the House and Bayh decides to make a gubernatorial run, Pence may find his House leadership post appealing.

"He'll be tempted to sit tight," said Larry Sabato, a professor of political science at the University of Virginia and director of the school's Center for Politics. "He could have tremendous influence in the House, and running for governor would be very chancy against Bayh."

But if the GOP fails to capture the House, there could be negative repercussions for House GOP leadership, perhaps including Pence.

"Expectations are so high among Republicans," Sabato said. "Even if they get 35 seats and fall five short, people will be wondering who lost China. If anybody suffers, it will be (House Minority Leader John) Boehner."

Sabato, however, said that such worries are fading. "I'm starting to believe they're going over the top," he said of the House GOP.



A Democrat who has worked in Indiana politics also sees Pence surviving the election outcome. Stefan Bailey, former legislative director for Rep. Baron Hill (D-9th CD), is confident that his former boss will defend his seat and that Democrats will hold onto the 8th and 2nd CDs, too.

Even if Pence were not to bring any of the competitive races into the Republican column, he could still launch a gubernatorial campaign or hold onto his House leadership position.

"Regardless of the outcome of the mid-term election, Mr. Pence's bona fides are going to stand on their own and allow him to choose what to do and when," said Bailey, who is now director of Prime Policy Group in Washington.

At a time when some politicians are trying to glom onto the Tea Party momentum, Pence has an established position on the right side of the political spectrum. Yes, he joined the Tea Party Caucus on Capitol Hill. But in a way, he had a claim on Tea Party ground before it arrived.

"He is seen as someone who is true to the conservative faith," Sabato said. "He's seen as a team player and a leader."

Yet he also has criticized fellow Republicans when he thought they were spending too much money or losing their political way.

"Mike Pence has shown time and again he's his own man and not beholden to party affiliation," Bailey said. "He's an effective communicator and does not shy away from his positions or his beliefs. He's certainly formidable in that way."

Epilogue

Pence is completely circumspect about the political options at hand.

Should Gov. Mitch Daniels run for president in 2012? Pence explained, "I say everywhere I go in this state and country that it is a source of great pride to come from the state with the best governor in the United States of America. I will just say my admiration for Mitch Daniels is boundless and I know he'll be successful with what he decides to do next."

How about Pence on the 2012 GOP ticket? "Well" Pence said.

This brings us to where this story began. Pence is keeping all his options open and there are many. Not many politicians in America, hardly any from Indiana, have so many potential routes.

"I'm very humbled any time we're mentioned for higher office," Pence says, "but I am preoccupied at this moment with doing everything in my power to win back a majority in Congress for the Republican Party and to win back a majority in the Indiana General Assembly. The best thing we can do for kids and country is to stay focused on

the task at hand."

So there is hard work ahead, and reflection and prayer. All the options for Pence are open and on the table.

This writer suspects that the gubernatorial run is the most likely. It offers the best future shot at 1600 Pennsylvania Avenue. But Pence wouldn't reveal the slightest hint of his plans, even on deep background. Key allies believe that's what he'll do. He might get to spend the next two years in the House majority. Perhaps that could alter his plans just like the conference chair ultimately kept him out of the Senate race that had he entered he most likely would have won this November.

The world is Mike Pence's oyster. ❖

The Skillman factor

INDIANAPOLIS - A sitting lieutenant governor is often considered an heir apparent to a governor, as the careers of Frank O'Bannon, Joe Kernan, Robert Orr, Harold Handley and Henry Schricker attest.

But then there's Crawford Parker, Richard Ristine, Richard Folz and Robert Rock who never ascended.



So all eyes will be on Lt. Gov. Becky Skillman after Election Day, even though Gov. Daniels has asked Republicans to cool their heels until after the 2011 "reform" session. Many believe that Skillman must send an emphatic signal

she's in or the field could grow.

Howey-Gauge polling in 2008 showed that Skillman was very popular with the GOP base, but her name ID was in the 40th percentile - which is low. She reported around \$100,000 in her warchest - also low - and has not had a conspicuous presence on the campaign trail to date. The Daniels campaign contributors have yet to flock to her ledgers. Missing is that inevitability factor that surrounded Orr and O'Bannon as they were uncontested on the way to their nominations in 1980 and 1996.

Her campaign committee sent out a story by Maureen Hayden of CHNI that ran in the Anderson Herald-Bulletin this past week. Asked if she was running, Skillman said, "2010 is a huge year for so many others, from the courthouse to Congress. Maybe we need to wait till after the November election." ❖



Bad housing news, jobs renew fears Democrats will lose Congress

By **BRIAN A. HOWEY**

FRANKLIN - The news out of the housing sector was dismal this week, with a 28.8 percent drop in Indiana homesales in July. Polling data isn't much solace for Democrats. Seventy-two percent of people polled said they were



very worried about unemployment and 67 percent said they were very concerned about government spending, the Reuters/Ipsos poll found. Only 45 percent approved of the president's performance, according to the poll and his disapproval rating jumped to 52 percent.

Politico was reporting today that top Democrats are growing markedly more pessimistic about holding the House, privately conceding that the summertime economic and political recovery they were banking on will not likely materialize by Election Day. In conversations with more than two dozen party insiders, most of whom requested anonymity to speak candidly about the state of play, Democrats in and out of Washington say they are increasingly alarmed about the economic and polling data they have seen in recent weeks. They no longer believe the jobs and housing markets will recover – or that anything resembling the White House's promise of a "recovery summer" is under way.

They are even more concerned by indications that House Democrats once considered safe – such as Rep. Betty Sutton, who occupies an Ohio seat that President Barack Obama won with 57 percent of the vote in 2008 – are in real trouble.

A Democratic pollster working on several key races said, "The reality is that (the House majority) is probably gone." His data shows the Democrats' problems are only getting worse. "It's spreading," the pollster said.

If there was solace in that poll for Indiana Democrats preparing to gather for the annual Indiana Democratic Editorial Association convention in French Lick this weekend, it's that the Reuters/Ipsos poll found that 46 percent of registered U.S. voters would likely

vote for a Republican candidate, while 45 percent said they would vote for a Democrat.

The Real Clear Politics generic composite shows a tightening with the Republicans leading Democrats 46.1 to 41.6 percent. While any Republican lead portends to Democratic pickups in November, the current numbers and the tightening (see the Real Clear Politics composite chart below) suggest that Republicans haven't sealed majorities yet.

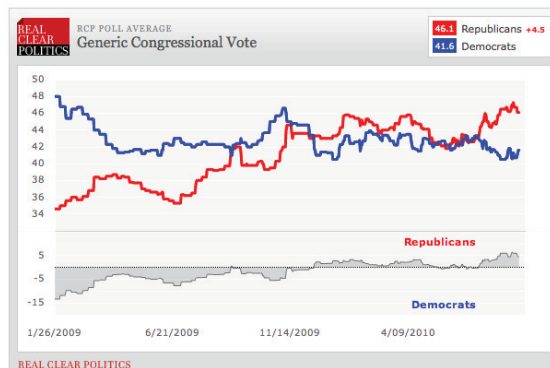
David Plouffe, President Obama's 2008 campaign manager, is calling for Indiana volunteers this weekend. "In 2008, volunteers like you broke every record in politics - you knocked on more doors, made more calls, and had more conversations with voters than any campaign in history," Plouffe said in an Organizing for America email to supporters. "We at OFA and others working to elect Democrats to Congress circled this weekend on the calendar and set a big goal: 200,000 doors knocked across the country in 48 hours." Plouffe added, "OFA Indiana has set a goal of getting 12,064 of them - and that means we need 402 volunteers in Indiana next weekend."

2nd CD: Boehner campaigns for Jackie

An American Action Forum poll by Ayres McHenry & Associates shows U.S. Rep. Joe Donnelly with a 46-44 percent lead over Republican Jackie Walorski. The poll (Aug. 16-19, 400 likely, +/- 4.9 percent) shows Walorski's favorables at 36/28 percent and Donnelly's at 48/38 percent, while 53 percent said the economy was the top issue and 46 percent said they oppose the "Obamacare" health reforms.

U.S. Rep. John Boehner, the House minority leader, was the featured speaker at a private fundraiser on Wednesday for State Rep. Jackie Walorski, R-Elkhart. The \$75-per-plate lunch drew about 100 people, according to Matt Kirby, Walorski's campaign manager. The Ohio representative spoke to Walorski's supporters for about 15 minutes. "It's a good opportunity to remind our supporters here and other folks that this is an important race," Kirby said, "and to really rally the troops."

U.S. Rep. Joe Donnelly's latest campaign advertisement is a response to what he calls a "smear ad" paid for by Americans for Prosperity, a conservative organization that has opposed health care reform, the economic stimulus package and other Democratic measures (Allen, South Bend Tribune). But his opponent, Republican Jackie Walorski, says Donnelly's rebuttal is a smear ad as well, and it distorts her record as a state representative. Halfway through the 30-second ad, after the narra-





tor says Donnelly is "Indiana's most independent congressman," that he opposed former President George W. Bush's plan to privatize Social Security and fought Democrats' proposed Cap-and-Trade legislation, the ad's narrator turns to Walorski. "She blindly follows the party line, sending our jobs overseas and risking our Social Security in the stock market," the voice says. Walorski said Friday that the ad is a diversion from this campaign season's main issue: the economy. "This ad criticizes the use of 'smear' ads or negative ads, and less than 15 seconds later they're making up things about my record purely to distract from the issues that every single American and Hoosier is reading every night in the paper," she said. Donnelly's campaign manager, Mike Schmuhl, said the ad is citing positions Walorski took publicly on free trade and Social Security, and both of those have direct effects on the economy. "The only thing Joe Donnelly has any distance from is reality," said Indiana Republican Party Chairman Murray Clark. "He says he doesn't work for Nancy Pelosi, even though he voted to make her Speaker of the House twice and supported the vast majority of her agenda." He said that Donnelly has received \$21,000 from Pelosi's PAC, \$28,000 from Steny Hoyer and \$11,000 from White House Chief of Staff Rahm Emmanuel. "When you've accepted campaign cash from the same people who asked you to cast those votes, it makes Congressman Donnelly's claims that much more unbelievable," Clark said. **Horse Race Status:** Leans Donnelly

8th CD: Bucshon calls for firings

Republican candidate Larry Bucshon on Tuesday called on President Obama to fire his economic team. "Today I call on President Obama to get serious about our economy by firing his economic team and I call on my opponent to do the same. With perpetually high unemployment and record deficits, we know the Obama/Pelosi agenda has failed us all." **Horse Race Status:** Tossup

SD15: Wyss refuses to debate

Sen. Tom Wyss, R-Fort Wayne, is resisting attempts by his Democratic challenger to draw him into a heated race (Fort Wayne Journal Gazette). Jack Morris sought a clean campaign pledge from Wyss about two months ago and followed that up with a request for debates. Wyss has not responded to either. Wyss said in between the two letters from the Morris campaign, several friends and supporters received push poll calls questioning the amount of travel Wyss does at taxpayer expense. Morris' campaign manager, Derek Thomas, said the campaign has done no polling in the race at all. He also checked with the Indiana Democratic Party officials, who said they have not polled in Senate District 15. "We don't know where that's coming from," he said. **Horse Race Status:** Leans Wyss

HD36 & 37: Austin, Reske pitch ed reforms

State Sen. Tim Lanane of Anderson and Reps. Terri Austin of Anderson and Scott Reske of Pendleton outlined education proposals they will push in the 2011 session of the Indiana General Assembly (Anderson Herald-Bulletin). They were at Anderson High School on Wednesday, the second day of campaign stops around the county to discuss the proposals. Atop the list is a proposal to give tax breaks to people and corporations that make donations to public school systems and the foundations that support them. Austin said the lawmakers also are proposing "Project Jump Start," which would expand dual-credit courses offered to high school juniors and seniors through state colleges and reduce their costs, which average about \$300 to \$400 plus books and materials. "It helps kids still in high school find out what level of college work they need to be ready for," Austin said. Reske said one in three junior high and high school students report being a victim of bullying, prompting a proposal to increase reporting of such incidents to the Department of Education. "It sends a message that we all need to be serious about it," Reske said.

HD75: Bacon knocks on 6,000 doors

HD75 Republican nominee Ron Bacon says he has knocked on 6,000 doors and raised more than \$45,000. "It will be significantly higher after tonight," he said of the fundraiser by U.S. Rep. Mike Pence that drew around 150 people. "After talking with people, we've got a good feeling. People are not happy with the way the country is going, with jobs," said Bacon, who faces Democrat Mike Goebel. The seat is open after State Rep. Dennis Avery announced he would retire last spring. **Horse Race Status:** Leans Goebel

Indianapolis mayor

Indianapolis Mayor Greg Ballard isn't on the ballot for more than 15 months, but after a summer of IMPD scandals topped by the David Brisard reckless homicide case, the mayor is taking on major political damage. On Tuesday, Democrat mayoral challenger Melina Kennedy called for Public Safety Director Frank Straub to resign. "We have to see some leadership. This is too important, and I think changes are in order," Kennedy said.

Kennedy's call came after Prosecutor Carl Brizzi dropped DUI charges due to a questionable BAC test. Marion County Democratic Party Chairman Ed Treacy reacted, "This is an outrage. A man is dead. A woman is fighting for her life in a hospital bed. Families are grieving. This Mayor ran on the premise of public safety being job one. But once again, as the Indianapolis Metropolitan Police Department is dealing with its latest scandal, the Mayor hides behind his surrogates." **Horse Race Status:** Tossup ❖



Democrats Republicans

52 48

Republican Pickup

HD46: (Open, Tincher) Bionca Gambill (D) vs. Bob Heaton (R)

HD30: Rep. Ron Herrell (D) vs. Mike Karickhoff (R)

Tossup

HD15: Timothy Downs (D) vs. Rep. Don Lehe (R)

HD17: Rep. Nancy Dembowski (D) vs. Frances Elert(R)

HD31: Rep. Joe Pearson (D) vs. Kevin Mahan(R)

HD37: Rep. Scott Reske (D) vs. Kyle Hupfer (R)

HD44: Rep. Nancy Michael (D) vs. Jim Baird (R)

HD68: Rep. Bob Bischoff (D) vs. Jud McMillin(R)

HD72: Shane Gibson (D) vs. Rep. Ed Clere (R)

HD76: Sen. Bob Dieg (D) vs. Wendy McNamara (R)

HD77: Rep. Gail Riecken (D) vs. Cheryl Musgrave

HD89: Rep. John Barnes (D) vs. Cindy Kirchhofer (R)

Leans D

HD19: Dan Klein v. State Rep. Shelli VanDensBurgh

HD36: State Rep. Terri Austin vs. Kim Builta

HD62: Rep. Sandra Blanton v. Matt Ubelhoer

HD70: Rep. Paul Robertson vs. Rhonda Rhoads

HD73: (Open, Oxley) Ryan Bowers v. Steve Davisson (R)

HD75: (Open, Avery) Mike Goebel (D) vs. Warrick Coroner Ron Bacon (R)

Leans R

HD4: Judge Thomas Webber vs. State Rep. Ed Soliday

HD26: Paul Roales (D) vs. Rep. Randy Truitt (R)

HD51: Cody Ross (D) vs. Rep. Dick Dodge (R)

HD92: Brett Voorhies (D) vs. Rep. Phil Hinkle (R)

Likely D

HD42: Rep. Dale Grubb vs. Clerk Sharon Negele

HD43: Rep. Clyde Kersey (D) vs. Al Morrison (R)

HD66: Rep. Terry Goodin vs. Jim Lucas

HD74: Rep. Russ Stilwell vs. Susan Ellspermann

HD86: Rep. Ed DeLaney vs. Kurt Webber

HD97: Rep. Mary Ann Sullivan vs. Wes Robinson

Likely R

HD21: (Open, Walorski) Dwight Fish (D) vs. Timothy Wesco (R)

Safe

Democrats: Fry, Lawson, Harris, C. Brown, Bauer, Cheatham, Niezgodski, Dvorak, Pelath, Stevenson, Rear-don, Dobis, V. Smith, Bardon, Klinker, Tyler, Moseley, Pflum, Pierce, Welch, Battles, Stemler, Stilwell, Gia-Quinta, Moses, Pryor, Bartlett, Porter, Crawford, Summers, Day.

Republicans: Open-Borror (Morris), Open-Bell (Heuer), Open-Ruppel (Kubacki), Open-Clements (Van Nat-ter), Open-Duncan (Frye), Open-Murphy (Speedy), Yarde, Dermody, Messmer, Neese, Gutwein, Wolkins, Friend, McClain, J. Thompson, Richardson, Turner, Davis, Lutz, Torr, Steuerwald, T. Brown, Borders, Foley, Culver, Leonard, Cherry, Saunders, Knollman, Eberhart, Burton, M.Smith, Koch, Crouch, Lehman, Espich, Pond, Noe, Bosma, Behning, Frizzell. ❖

* Status Changes are bold faced



Obama will change the subject ... to Iraq War

By **BRIAN A. HOWEY**

FRANKLIN - President Obama is taking a great deal of heat over the economy.

At 8 p.m. next Tuesday on national TV, he will change the subject. The new subject will be the war in Iraq.

If there is good news for the Obama presidency, it is that Obama is keeping a campaign promise and a pledge he made just weeks into his presidency: that combat troops would leave Iraq by Aug. 31, 2010.

The issue was so volatile that in 2006, he used it to campaign for U.S. Reps. Baron Hill, Joe Donnelly and Brad Ellsworth. Their victories helped the Democrats regain control of the U.S. House.

At the end of the 2008 presidential campaign, Obama said in his victory speech at Chicago's Grant Park, "To those who would tear the world down, we will defeat you."

Author Thomas Ricks would note that to abide by his own pledge, the new president "is going to take much longer than he likes and with more fighting than he wants."

In his Jan. 20 inaugural address, President Obama explained, "For those who seek to advance their aims by inducing terror and slaughtering innocents, we say to you now that our spirit is stronger and cannot be broken; you cannot outlast us, and we will defeat you. To those leaders around the globe who seek to sow conflict, or blame their society's ills on the West: Know that your people will judge you on what you can build, not what you destroy."

And in February 2009, Obama's 16-month draw-down became 19-months - Aug. 31, 2010. He said that was when "our combat mission in Iraq will end and Iraqi Security Forces will have full responsibility. After that, American forces - between 35,000 and 50,000 - will perform three tasks: train, equip and advise the Iraqis; conduct targeted counter terrorism; and provide force protection of military and civilian personnel."

Last week, NBC's Richard Engel reported that the last military vehicles were pulling out of Iraq and into Kuwait. The reaction in America appeared to be a collective yawn. Which is tragic since more than 100 Hoosier soldiers have been killed and more than 4,400 American lives lost.

Another 32,000 Americans have been wounded. Hundreds of thousands of Iraqis killed.

Ricks's latest book, "The Gamble: Gen. David Petraeus and the American Military Adventure in Iraq, 2006-2008," he writes that the legacy of the surge is inconclusive and the U.S. will likely remain for years, not months. As Ricks explains, "The surge was the right step to take, or more precisely, the least wrong move in a misconceived war. The surge was effective in many ways, but the best grade it can be given is a solid incomplete. It succeeded tactically but fell short strategically."

In Indianapolis on Monday, Vice President Joe Biden told the 111th national convention of the Veterans of Foreign Wars, that "Politics and not war has broken out in Iraq."

By Wednesday, chaos was back, underscoring Ricks' caution. The New York Times reported yesterday: In one of the broadest assaults on Iraq's security forces,

insurgents unleashed a wave of roadside mines and more than a dozen car bombings across Iraq on Wednesday, killing dozens, toppling a police station in the capital and sowing chaos and confusion among the soldiers and police officers who responded. The withering two-hour assault in 13 towns and cities, from southernmost Basra to restive Mosul in the north, was as symbolic as it was deadly, coming a week before the United States declares the end of combat operations here. Wednesday was seemingly the insurgents' reply: Despite suggestions otherwise, they proved their ability to launch coordinated attacks virtually anywhere in Iraq, capitalizing on the government's dysfunction and perceptions of American vulnerability. For weeks, there had been sense of inevitability to the assaults, which killed at least 51 people, many of them police officers.

As for Biden's "politics," the ultimate objective of the Surge was to give Iraqis time to make political deals. That hasn't happened. As the New York Times reported: The attacks come amid deep popular frustration with the country's politicians, who have failed to form a government more than five months after elections in March. Shoddy public services, namely electricity, have only sharpened the resentment.

So an embattled American president comes back from Martha's Vineyard with a plan to find national solace in a war he and many others believe was a profound mistake to begin with. And as Wednesday shows, it's dangerous to find comfort in war. ❖



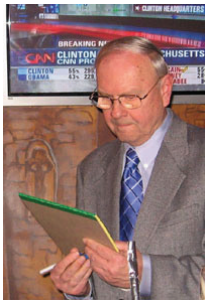
Vice President Biden talks with VFW members at the Indiana Convention Center on Monday. (White House Photo)



Invoking Pelosi in the 2nd CD

By JACK COLWELL

SOUTH BEND - You would think Nancy Pelosi was running for Congress in Indiana's 2nd District. And that both Joe Donnelly and Jackie Walorski were running against her.



Well, she isn't. But they are. Pelosi, the first female House speaker, whose ability to get major legislation passed is obscured amid voter disgust over details of the Washington sausage-making process and controversy over the final product, isn't on the ballot in the 2nd District. However, Donnelly, the incumbent Democratic congressman, and Walorski, the Republican challenger, both are running against

Pelosi.

Walorski, since she announced candidacy, has sought to demonize Pelosi, just as many other Republicans throughout the nation do, and to contend that Donnelly has blindly followed a liberal agenda of Pelosi and President Obama.

Donnelly, who prides himself on being a Blue Dog moderate often at odds with Pelosi and the rest of the more liberal House Democratic leadership, plays up those differences in a TV ad featuring a photo of Pelosi, Obama and House Republican Leader John Boehner. Donnelly, defending his approach, narrates: "That may not be what the Washington crowd wants, but I don't work for them. I work for you."

Not so, claims a rival TV ad, paid for by Americans for Prosperity, a conservative independent-expenditure group. This ad, intended to help Walorski, says that "under Donnelly and Nancy Pelosi, spending skyrockets," with Donnelly voting "for Pelosi's budget." It concludes: "Tell Donnelly he works for us, not Nancy Pelosi."

Donnelly says proof that he doesn't march to orders from Pelosi is her phone call, not to him but to Rev. Theodore M. Hesburgh, the renowned former Notre Dame president, asking Hesburgh to call him with a plea to provide one of the final votes needed for passage of health care reform.

Hesburgh called Donnelly, but not with a plea on how to vote. Donnelly says Hesburgh only advised him to

use his "best judgment" as "a Notre Dame man."

The Notre Dame grad says he did that. Donnelly, along with other "pro-life" Democrats, threatened to kill health care reform unless it clearly prohibited any federal funding for abortion. Finally, he agreed the needed prohibition was there, reluctantly accepted by the "pro-choice" Pelosi. Donnelly voted for the health care reform. Walorski and a national "pro-life" organization campaigning in the 2nd District say the guarantees were not solid and more abortions will result.

Walorski says that a vote for her is vote to oust Pelosi.

Pelosi won't be ousted from Congress in her own San Francisco district. She will win re-election. She will be speaker again if Democrats retain control of the House. After all, she got major legislation passed despite a fractious Democratic majority and solid Republican opposition. It's what was passed, not her skill in passing it, which is in controversy.

If Republicans win control _ and the 2nd could be a decisive battleground district in determining control _ Pelosi would be out as speaker, replaced by a Republican. House Republican Leader Boehner wants to move up to speaker. Democrats then would seek to demonize Boehner the way Republicans now portray Pelosi with devil's horns.

President Obama already criticizes Boehner for a metaphor suggesting that the financial crisis was just an ant and for leading a "No, we can't!" opposition.

But Pelosi now is the speaker, the prime target. Polls show voter dislike for the way the House has spoken _ or shouted in partisan warfare.

A CBS poll as the House was poised to vote on health care showed Pelosi with a favorable rating of 11 percent.

Unfavorable was 37 percent. Interestingly, despite political insiders, cable TV and talk radio dissecting her every move, 52 percent didn't have an opinion.

If Pelosi actually were on the ballot in the 2nd District, she'd finish well behind both Donnelly and Walorski. Success in targeting Indiana votes? Pelosi would leave her dart in San Francisco.

Even though Walorski paints horns on Pelosi, she would contribute big money to the House speaker. Really. Provided that Pelosi would use it for a trip to the 2nd District to campaign for Donnelly. Donnelly would contribute, too, lots of money, to have the runway at the South Bend airport blocked as Pelosi's plane approached. ❖





Long-term problems require long-term solutions

By **MORTON J. MARCUS**

INDIANAPOLIS - "It is a difficult life these days," complained Euturn Wright, the eminent economic development authority. "No one wants to spend money on economic development, not that they did readily in the past. But now they have such wonderful excuses for doing nothing."



Morton Marcus
Column

"Surely the need is evident," I said as we waited for a waiter to wait on us.

"Evident?" he responded.

"Imperative! Many communities cannot continue as before. However, the recession has enabled many firms and governments to plead poverty. They won't invest a dime today in economic development unless

there is a tangible return before the next annual report or election.

"Economic development, however, is a long-term proposition with uncertain benefits at a distant date. It is not just opening a new plant or expanding an existing one. Real economic development involves shaping and reshaping the structure of commerce in a community."

"Many people are in serious economic distress; can you blame them for being cautious?" I asked, looking about for a waiter with water.

"Yes, I can" Euturn answered with his usual frankness. "

"But, the economy...." I said.

"**True,**" he interrupted, "but the numbers in distress are far fewer than the many millions of comfortable people who, nonetheless, have closed their purses because their seats were singed when the stock market fell. Others moan, despite steady income, because the market values of their homes – that they don't intend to sell -- have fallen.

"Few firms understand that the development of other companies often yields a direct benefit; few individuals are eager to advance the prospects of another. Local government officials in Indiana are particularly in need of spectacle to attract votes."

"Waiter," I called to a youth who made eye contact but failed to see me.

"Why don't businesses and governments understand that aggressive investment programs pay off?" he asked.

"**That's easy,**" I answered. "Aggression is discouraged. Don't take the extra base. Go for the field goal rather than the touchdown. Caution and calculation rule the day. Everyone calculates the present discounted value of a future stream of net revenue. Answer the question: What is this project worth today when its payoff in the future is unknown?"

"A delightful exercise for the Wizards of Wall Street," Euturn said. "However, while that works for most private activities, its difficulty is compounded when there are consequences for other people -- those not party to the transaction. A new shopping center may offer new consumer opportunities along with increased congestion and competition for existing tradesmen. Today there are linkages we never had before; today we enjoy and suffer from increased interdependence.

"Clearly, as we have learned, we are joined together by global financial and environmental factors. Nonetheless, too many people hang onto concepts and practices that are out-of-date."

"Like what?" I asked.

"**Like annual budgeting,**" he said, "a practice that makes commitments meaningless. Policies are revocable by merely changing the officers of a company or a panel of elected officials. That's how we get under-funded pension programs, abandonment of health insurance commitments, and no sustained resources for long-term projects. Schools and factories, libraries and bridges, art museums and grocery stores don't exist in the moment. They are the foundations of community for families and businesses. Yet, we budget for them as if they can disappear in the night."

He went on as I tried in vain to get service at our table. "Business success and the development of cities are not short-term activities but on-going efforts with long time horizons."

"Let's get out of here," I said. "Our time horizon isn't long enough for us to wait any longer for service." ❖

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



Mark Kiesling, Times of Northwest Indiana:

Half a pound of marijuana was confiscated from a Val-paraiso apartment last week, not exactly the Porter County version of the French Connection drug ring. And we wonder why our jails are overcrowded. We wonder why we keep adding judges at \$100,000 a pop with new courtrooms, bailiffs, court reporters and secretaries. It's in large part to deal with the "war on drugs," that losing effort we have been fighting with little to show for it since the 1960s. I mean little in the way of law enforcement. So much more gets through than is confiscated that it is like shoveling sand back into the ocean. Education has shown positive results, as the number of kids who use drugs has consistently decreased thanks to improved and accurate teaching of what certain drugs can do to your body and mind. But half a pound of pot with three arrests, two of them felonies? When Porter County has been shown conclusively to have major problems with much more serious drugs such as methamphetamine, cocaine and heroin? It's time to smash those businesses and put them permanently to rest, not waste time on a few potheads who actually help the economy by subsidizing the Doritos industry. True confession: I am perhaps the only person who came of age in the 1970s who never has smoked weed. Just never felt the allure. But I can't figure out why we don't stop the hypocrisy in this country -- most of the recent presidents we have elected have smoked pot. Of course, given the shape the country is in maybe that's not a good example. Instead, we wink and nod at Barack Obama's pot confession, we chuckle at Bill Clinton saying he "didn't inhale" and forgive the younger Bush's "youthful indiscretions." Why not just make the possession of a small amount of marijuana a violation like a traffic offense, punishable by a fine rather than jail time? The government still gets its money, and we don't waste it putting people in jail who really don't belong there. ❖

Rich James, Post-Tribune: The biggest joke in Indiana? No, it's not the new ID law for carry-out alcohol purchases, although that runs a close second. The answer is the state election campaign laws and rules governing election boards. We saw it pretty clearly this week when the Lake County Election Board resolved two complaints filed by John Buncich, the Democratic nominee for sheriff, against Coroner Tom Philpot, who was a candidate for sheriff in the May primary. The first complaint involved a smear sheet that Philpot put out against Buncich. There's generally nothing illegal about smear sheets -- although they can't be libelous -- unless the person distributing them fails to put a disclaimer in the corner saying, "I'm the guy throwing the mud." Well, Philpot forgot to say he was

that guy. The second complaint was a pretty egregious act. Don't know that I have ever seen anything like it in more than three decades of reporting. Philpot mailed post cards bearing the photos of county Prosecutor Bernard Carter and Clerk Mike Brown. The cards said that Carter and Brown were backing Philpot for sheriff. The post cards went to predominately black neighborhoods. Did I mention that Carter and Brown are black? Or that Philpot is white? In other words, the two black dudes are supposedly telling their brothers that this white dude is OK. And, did I mention that Carter and Brown backed no one. I never took a political science course, but I bet there wasn't a chapter on the post card maneuver. ❖

Eric Bradner, Evansville Courier & Press: It's hard to go the populist route on the campaign trail when your party is the one in power. After all, who, exactly, can you call the out-of-touch elites? But it might be the best chance Democratic Rep. Brad Ellsworth has to close an alarmingly wide gap in his bid against Republican former Sen. Dan Coats for Indiana's open Senate seat. By now it's obvious to everyone that if Democrats want to avoid huge losses in November, the party's candidates need to find ways to reverse the electoral momentum, and

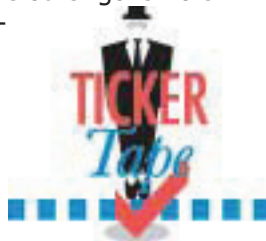
they need to do it right away. If the election were held today, Ellsworth would lose. It wouldn't even be that close, according to the two most recent public polls -- one of which showed Coats ahead by 15 percent, while the other had Coats with a 21 percent lead. Those numbers are bad news for Indiana Democrats, because the national party is looking at a larger-than-expected playing field and deciding which races they will pour resources into and which races they won't. The only way to turn this into a race is to find a way to shake things up, and soon. Here's where to start: How would you describe your average registered voter this year? Angry, perhaps, that they aren't seeing much benefit from sky-high spending? Cynical about government and defensive about the roles average folks played in getting us into this situation? Those are the concerns to which candidates must speak. Ellsworth starts with the disadvantage of having voted for health care reform, the \$862 billion stimulus package and the bank bailout. Since he probably won't be able to turn public opinion completely around on those issues, the best he can do is show voters that he gets where they're coming from. That was the advice given in a presentation that health care reform advocates gave to Democrats last week. The advice that presentation gave: "Use transition or bridge language to meet the public where they are and relax their defenses." ❖





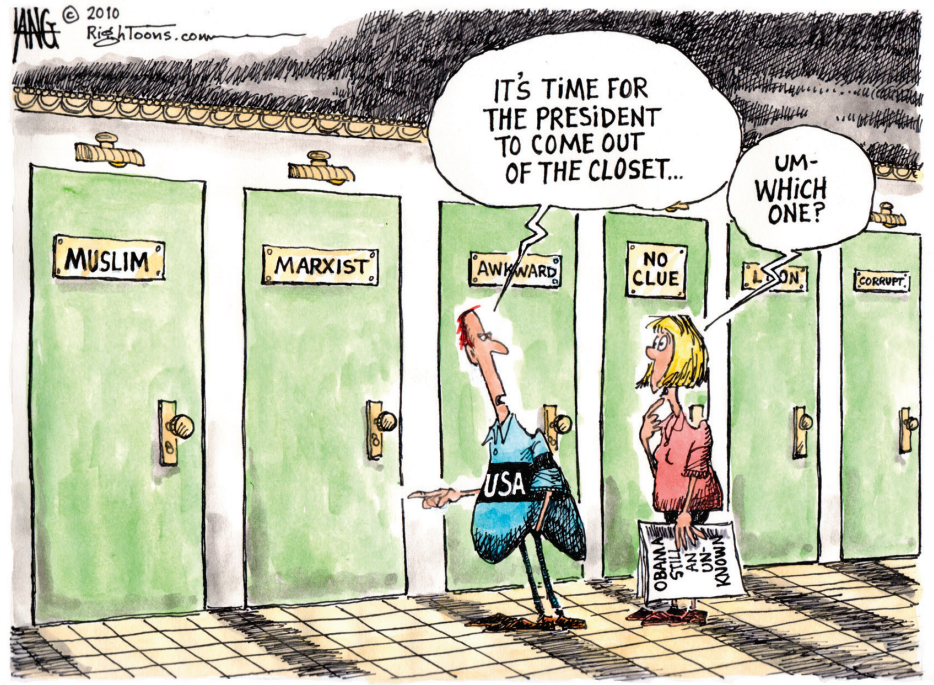
Daniels will seek \$435M in stim

CORYDON - Indiana Gov. Mitch Daniels says he will ask the federal government to send the state more than \$435 million in additional stimulus money for schools and Medicaid. Daniels has publicly railed against the newly approved \$26 billion stimulus package, which would steer about \$227 million to Indiana for Medicaid and \$207 million for education. Federal officials said last week that governors must ask for the Medicaid money to get it, which put Daniels and some other governors in a tough spot because they had criticized the new round of stimulus dollars. Daniels said Tuesday during a stop near Corydon that he still questions whether the stimulus package is wise. But he said Congress has acted, so Indiana will seek the money.



Daniels not taking presidential steps

LOUISVILLE - In an interview with the Louisville Courier-Journal Editorial Board on Wednesday, Indiana Gov. Mitch Daniels said he is not taking any steps to run for president and is not particularly interested in holding the office. "This is nothing I have started, encouraged," said Daniels, a Republican in his second term. "People have asked, 'Please don't absolutely close your mind' and I have said I'll think about it." There has been increased speculation nationally and within the GOP that Daniels might seek the nomination for president in 2012. But Daniels pointed out that he's not raising money for a campaign and is not campaigning in Iowa or



other early primary states. He said that shows he's not actively seeking the office. "It's nothing I'm going to do anything about," Daniels said. "If it's still an interesting subject in a few months, ask me then." However, Daniels said that he remains worried "about the condition and direction of the country and I'm a lot more worried even than I was a year and a half ago." Daniels said that Republicans must offer voters a bold and positive agenda in national elections this fall and in 2012 to win control of the White House and Congress and change the country's direction. "It's important for my party to put forward a positive and constructive and very bold set of proposals," Daniels said. "I think the nation's facing survival-level issues. We better do something very different and decisive about it and I don't think we have a lot of time."

FSSA says reforms will cost \$3.8B

INDIANAPOLIS - Indiana's human services chief and insurance

commissioner warned Republican Gov. Mitch Daniels that the federal health-care overhaul poses increasing costs to the state (Indianapolis Star). Family and Social Services Administration Secretary Anne Murphy and acting Insurance Commissioner Stephen Robertson sent Daniels a letter that estimates the overhaul will cost Indiana at least \$3.16 billion over the next 10 years and maybe up to \$3.8 billion. That's up \$235 million from an estimate in May. The state posted the letter Wednesday on a new website on the overhaul's impact here. Senate Minority Leader Vi Simpson, D-Ellettsville, said the figures can't be trusted and that the Daniels administration is creating barriers to the health-care overhaul.

Surprise Quayle sees counter attack

PHOENIX - After a cascade of accusations and ever-shifting denials that he wrote for a raunchy website under the name of a fictional porn star, it seemed even Ben Quayle thought he was going to lose a 10-



way Republican primary in Arizona (Politico). Quayle, the son of former Vice President Dan Quayle, went so far as to cancel a victory party he had planned to hold Tuesday night to watch the returns in the race for the GOP nod to replace retiring Rep. John Shadegg in the 3rd District. But the more than 14,000 Republicans who voted for him either didn't know about the accusations, didn't care or cast early ballots for him —and they were enough to give him the 22 percent of the vote needed to win the election. "The very foundations of America's greatness are under attack in Washington, D.C. "I have some news: the counter-assault begins right now."

Weinzapfel calls for township loan

EVANSVILLE - Happy days may not be here again for the Knight Township trustee's office even if Mayor Jonathan Weinzapfel's idea for a \$200,000 loan is carried out (Evansville Courier & Press). Noting that he isn't sure \$200,000 would be the final dollar amount or that the scenario he envisions will be possible in the end, Weinzapfel confirmed Wednesday he has suggested the Evansville Bond Bank make a loan to Knight Township by passing the money through Vanderburgh County. "This is simply a loan. This is not a grant. This is not a bailout," Weinzapfel said. "This is to give the township time to restructure in order to continue providing the services they're required to provide." Even with the money in hand, the first six months of 2011 would be hard for the trustee's office unless another new source of revenue materialized.

Evansville may dim street lights

EVANSVILLE - Local officials discussed the possibility today of

shutting off certain street lights to save Evansville money in future years (Evansville Courier & Press). The city's proposed 2011 budget calls for spending about \$2.5 million on street lights, an increase of just over \$100,000 from this year. The money is to come from a local income tax that is expected to generate about \$2.4 million less in 2011 than in 2010. Council president B.J. Watts, D-6th Ward, said he is open to the possibility of eliminating street lights if that change can be made without endangering the public. He said city officials shouldn't be afraid to try to find new ways to trim the budget. "Just because it's what we have been doing, that doesn't mean it's what we should be doing," Watts said. "If we can get rid of some of the street lights and save money, that's what we should be doing."

Elkhart soldier killed by IED

ELKHART - Elkhart native Pfc. Justin Shoecraft, 28, died Tuesday in Afghanistan from a road-side bomb. Now, his family is trying to make sense of the tragedy (South Bend Tribune). "I'm very proud that he joined the army, and I'm proud that he wanted to serve his country. I'm just not proud that they took him," Donna Shoecraft, Justin Shoecraft's mother, said as she held back her tears. "I never thought I'd have to go through this." Now, Justin Shoecraft's parents, Blue and Donna, are living a parents' worst nightmare. "You never want to bury your child first," Donna Shoecraft said. It was about 5 p.m. Tuesday evening when the parents saw two men in uniform approach their house. "I saw them pull in the driveway, and I knew right off the bat, that wasn't good," Blue Shoecraft said. Pfc. Shoecraft joined the Army about two years ago. He was stationed in Germany with the 1st Squadron, 2nd Stryker Cavalry

Regiment. He was in Afghanistan for only five weeks.

Legislators weigh sexting crime

INDIANAPOLIS - A panel of state lawmakers wrestled Wednesday with questions of what to do about teenagers sending sexually explicit photographs via text message (Carden, Times of Northwest Indiana). "It's not cut and dried. You've got kids who are not taking responsibility for their actions," said state Rep. Linda Lawson, D-Hammond. "But I don't want kids going to jail for this." Legislation intended to mitigate the harmful effects of the practice, known as sexting, will almost certainly be introduced when the General Assembly convenes in January. Lawson won approval of a measure earlier this year, enabling schools to teach students about the dangers of sexting. However, there are no statewide guidelines for handling sexting cases, which technically involve the creation of child pornography. In several instances, 18-year-old high school students have been arrested and forced to register as sex offenders for possessing a sexually explicit photo sent by an underage classmate. Nancy Willard, executive director of the Oregon-based Center for Safe and Responsible Internet Use, told the Criminal Law and Sentencing Policy Study Committee that sexting laws should be focused on preventing genuine child exploitation, rather than legislating morality. "I believe laws against private possession or consensual sharing will likely be ineffective approaches to deal with this situation," Willard said.

Correction

In the Aug. 19 edition of Howey Politics Indiana, it was reported that Rep. Baron Hill voted for the TARP bailout of Wall Street. Hill opposed the measure twice.