



Falling out of love with Obama

Blue Hoosier state turns on president as economy sputters

By **BRIAN A. HOWEY**

STORY, Ind. - There was a barn sale in the bucolic hills of Brown County on Sunday and as people milled around the tables of used tools and clothes the talk turned to politics and, ultimately, President Obama.

"He's the worst president ever," a woman said.

Why would you say that?

"He's against capitalism," she responded.

This is not an isolated dynamic in the Hoosier State where Barack Obama carried with 51 percent of the vote in 2008. Whether it was a speech before the Rotary Club in Wabash, at a pub in Fremont, or at a funeral service in Mexico, Ind., when the topic turned to the president, there was open contempt, disgust

Continued on page 4



The NRCC is running the TV ad (above) tying U.S. Rep. Joe Donnelly to President Obama and Speaker Pelosi. At right, President Obama went on the offensive in Parma, Ohio on Wednesday, answering in a speech charges made by House Minority Leader John Boehner.

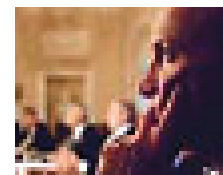
Obama at low ebb

By **BRIAN A. HOWEY**

INDIANAPOLIS - Obama wept.

No, this isn't news media fawning. It really happened at the American Legion Mall in Indianapolis on the night of May 5, 2008. Some 21,000 Hoosiers gathered at the park to listen to Stevie Wonder and then hear a final pre-primary pitch from Sen. Barack Obama in his race against Hillary Clinton and the Bayh machine.

Hoosiers had seen the sheen of the campaign: Barack and Michelle at a town hall at Garfield Park, shooting buck-ets at Riverview Park in Elkhart, visiting the family homestead in Kempton. Most



"A look around the American economy suggests it's time to break out the brandy. By any measure growth is anemic - alarmingly so ..."

**- Gov. Mitch Daniels
WSJ op-ed, see page 11**





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remember the Obama campaign as a juggernaut. But he was really on his heels when he came to Indiana. Victories in Iowa, South Carolina, Super Tuesday and an 11-primary winning streak had faded into losses to Clinton in Ohio, Texas and Pennsylvania. While Obama was smothering Clinton on the money front and she was lending her campaign money, the word seeping out was that he couldn't win a big, industrial state. He even lost Massachusetts after Ted Kennedy's endorsement.

Now he faced primaries in the red states of Indiana and North Carolina and his former pastor, Rev. Jeremiah Wright, had resurfaced at the National Press Club where he performed and hammed it up and called Obama a "typical politician."

The book "Game Change" by Mark Halperin and John Heileman said it was at this moment that Obama was "in profound self-doubt. Even at the lowest moments of the campaign, nothing had shaken Obama's conviction. But Wright had stolen that certainty from Obama. His public image was up for grabs."

Obama and press aide Robert Gibbs agreed that this was "the moment of maximum peril" in the campaign.

"I know what I gotta do," Obama said. He had a press conference in North Carolina and said of Rev. Wright, "The person that I saw yesterday was not the person that I met 20 years ago. His comments were not only divisive and destructive, but I believe that they end up giving comfort to those who prey on hate. They certainly don't portray accurately my values and beliefs. And if Rev. Wright thinks that's political posturing,

as he put it, then he doesn't know me very well."

A couple of hours after that press conference, Obama was on the phone with Howey Politics. "Is there ever a point where this is worth all of the personal sacrifices?" I asked, not knowing that I was talking to a presidential candidate in the dumps.

Obama hid his emotions well. He was friendly, conversant and seemed interested during the entire 20-minute phone call. "Well, when you run for president, one of the things you sign on to is the fact the American people want to know who you are

and all aspects of you," Obama said. "Some of them get blown out of proportion. Some of them get magnified. You have to take it as it comes. I think I was very clear about today. My former pastor doesn't speak for me and doesn't reflect my views. It was sad to see what

happened yesterday, yet I don't want that to be a distraction about what this campaign is about. The American people are struggling and they need help."

But it was a distraction.

Obama's closest friends, including Valerie Jarrett, Eric Whitaker and Marty Nesbitt, were at the American Legion Mall to buck up Obama. "I can't wait to call you Mr. President," Jarrett said.

"Look man," Nesbitt said, "There's nothing you can do about Rev. Wright. He's a suicide politician. He had plastic explosive strapped to his vest and he said 'I'm blowing up everybody.'"

"Game Change" reported that all of them started cracking up, mirthful tears streaming down their faces.

As the thousands of Hoosiers trudged through the rain-slickened





streets, David Axelrod appeared, reporting that Obama was 12 points down in Indiana and the race was tightening in North Carolina, "Get Axelrod out of here," Obama said. "He's a downer."

Every presidential campaign has such "downer" moments, as does every presidency.

Obama would lose the Indiana primary to Clinton, but by less than a percentage point. Gary Mayor Rudy Clay was able to hold up the Lake County returns long enough to deprive Hillary of a "momentum" victory speech at the Murat in time for the East Coast newscasts. She would declare, "Tonight we've come from behind, we've broken the tie and thanks to you, it's full speed to the White House." But Obama trounced her in North Carolina, won more delegates that night, and nobody was buying into the rhetoric. Obama had beaten expectations, particularly with Evan Bayh and the Indiana Democratic establishment backing Hillary, and he had "overcome his real nemesis - Rev. Wright," as the book put it.

The Obama presidency is now enduring the low ebb the candidate felt in Indianapolis.

The U.S. unemployment rate is 9.6 percent. There is no political capital for a second stimulus, boxing in President Obama on the sagging economy. The housing and commercial real estate markets are still ticking time bombs with no clear solution. Democrats have yet to articulate a cogent defense of the complicated health reforms. Where in 2006 he gave life blood into the Indiana campaigns of Baron Hill, Brad Ellsworth and Joe Donnelly, today Obama is their millstone.

Every presidency has these harrowing moments. Nixon had Kent State. For Reagan it was the Beirut Marine barracks bombing. For Carter the Iran hostage rescue disaster; and for the Clintons the death of Vince Foster. For George W. Bush, it was Sept. 11 and the lack of attention paid to the security warnings that had come during the previous month. With the exception of Carter, all rebounded.

Obama's speech on the Iraq combat mission ending was flat. New York Times columnist Frank Rich observed, "What was so grievously missing from Obama's

address was any feeling for what has happened to our country during the seven-and-a-half-year war whose 'end' he was marking."

Rich concluded, "And yet here we are, slouching toward yet another 9/11 anniversary, still waiting for a correction, with even our president, an eloquent Iraq war opponent, slipping into denial. Of all the pro forma passages in Obama's speech, perhaps the most jarring was his entreaty that Iraq's leaders 'move forward with a sense of urgency to form an inclusive government that is just, representative and accountable.' He might as well have been talking about the poisonous political deadlock in Washington. At that moment, there was no escaping the tragic fact that instead of bringing American-style democracy and freedom to Iraq, the costly war we fought there has, if anything, brought the bitter taste of Iraq's dysfunction to America."

Most Democrats haven't given up on Obama, but here in Indiana there is a certain dismay that a candidate who was so good at articulating substance in "teaching moments" during the campaign has become so tone deaf, unaware of how he comes off. Commentators after the Iraq speech were critical of the Oval Office setting, where Obama looked small behind the desk and his cadence was truncated and fitful.

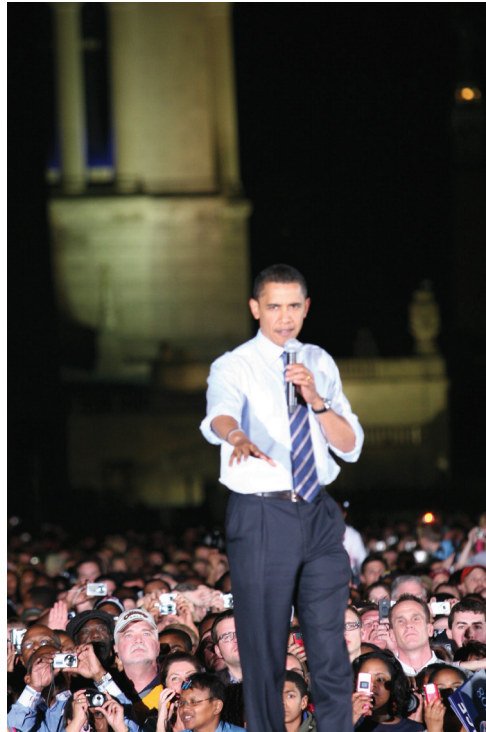
Throughout "Game Change" the reader is reacquainted with the soaring rhetoric of how Obama was intent on changing the culture in Washington, reaching out to Republicans and dealing with issues instead of "kicking them down the road."

Over the weekend in Milwaukee, Obama seemed pathetic, at one point stating, "they talk about me like a dog." Some Democrats saw in that a deliberate tactic to reinvigorate the Democratic base.

The question now is, can he snap back in time to help Democrats keep congressional majorities in November? Or will it take a recalibration in January when a Republican Congress comes to town? If that happens, how will he respond to threats of a government shutdown, the appropriations assaults on his health reforms, and the investigations Republicans are now planning?

President Clinton was the ultimate comeback kid, both as a candidate and president.

Does "No Drama" Obama have such mettle at a time when the American people are still struggling and they need help? ❖



Candidate Barack Obama at the American Legion Mall in Indianapolis on the eve of the 2008 Indiana primary. (HPI Photos by A. Walker Shaw)



Tsunami, from page 1

and derision aimed at Obama. It is far more openly expressed in the state's rural areas and small towns, which was the scene of improved numbers for the Democratic presidential candidate but still in the lower 40th percentile in the historic 2008 election. President Obama is a "socialist" and some believe he was born in Indonesia and is a closet Muslim.

Democrats will point out that President Obama stepped in and essentially saved a huge part of the American auto industry - and perhaps 140,000 Hoosier jobs - when General Motors and Chrysler emerged from fast-track bankruptcies. His American Recovery Act bailed out the state on education and Medicaid. Stimulus money has helped ignite and capitalize the emerging electric auto sector.

Democrats this week followed a trail of appearances by Republican Senate candidate Dan Coats and found seven companies - including EnerDel, Caterpillar, Nucor, Purdue Research Park, Langham Logistics, St. Francis Hospital - along with Ball State University receiving \$8 million in stimulus research and development funding. There also is the towering \$1.2 trillion deficit he inherited and is now his millstone.

Kip Tew, a 2008 senior adviser to the Obama campaign in Indiana, explained, "The most important thing to keep in mind is the president has used political capital to get things accomplished. When you do big things, you use political capital." Tew acknowledged that there is "anxiety" about the economy and added, "It's fair to hold him accountable. But if he had followed what our governor and treasurer wanted to do with GM and Chrysler, we'd be in a depression now."

In the Aug. 10 Rasmussen Reports poll in Indiana, only 39 percent approved of the job President Obama was doing, down 4 percent since June, while 60 percent disapproved. This is not a phenomenon isolated in Indiana. Real Clear Politics observed that Obama now has a negative approval rating in every state he flipped from the Bush column to his in 2008. In each of those places - Indiana, Colorado, Florida, Iowa, Nevada, New Mexico, North Carolina, Ohio and Virginia - his level of support is now in the 44-46 percent range in the RCP average.

Tuesday's NBC/Wall Street Journal Poll revealed a national dynamic. The Democrats' biggest problem is a wide passion gap: Voters angry at Democrats are fired up to vote, while many who like them are yawning over the

coming election. When voters overall are asked whether they prefer that November's vote produce a Congress controlled by Democrats or by Republicans, they split evenly at 43 percent. But among those who appear most likely to vote, based on their level of interest in the campaign and their history of voting, the Republicans own a dramatic 49 to 40 percent advantage. If that kind of lead holds, Republicans would almost certainly take back control of the House.

It's the economy

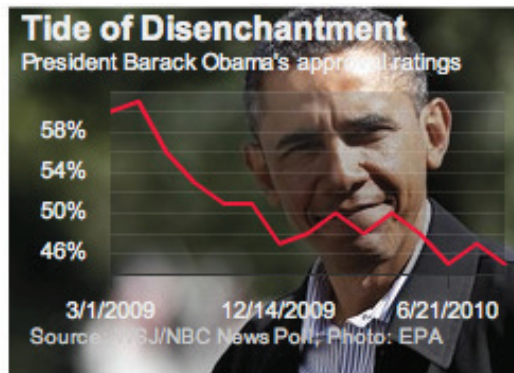
The simple fact is that the U.S. jobless rate is now 9.6 percent and it is 10.2 percent in Indiana. This dynamic in and of itself is responsible for the potential Republican wave year. Gerald Sieb, writing for the Wall Street Journal, observed on Tuesday: A tide of national unhappiness and disenchantment with Washington has been building all year and proving a threat to incumbents of both parties, as illustrated by the primary defeats of Republican Sens. Robert Bennett of Utah and Lisa Murkowski of Alaska by upstarts within their own party. But the sour mood is a particular problem for Democrats because they are in control of both the White House and Congress, and the few springtime signs that the economy might have significantly improved by Election Day have been snuffed out. Indeed, the most striking finding in

the new survey is the indication of a deep slide in economic confidence. Only 26 percent of those surveyed think the economy is going to get better in the next year, down markedly from 47 percent a year ago. In the same vein, those who think the country is generally on the wrong track now stands at 61 percent, up from 48 percent a year ago. Perhaps most telling for Democrats, approval of President Barack Obama's handling of the economy has slipped to 39 percent.

Republican pollster William McInturff, who co-directs the Journal/NBC News survey with Democrat Peter Hart, called the polling "a huge danger sign" for Democrats. Hart added, "We all know that there's a hurricane coming for the Democrats. What we haven't determined at this moment is whether it's going to be a category three or a category five."

An ABC News/Washington Post Poll released on the same day revealed that likely voters favored Republicans by a 53-40 percent margin, the widest GOP margin on record since 1981.

Beneath that result the news organizations re-





ported broad rejection of the status quo. Ninety-two percent of Americans say the economy's in bad shape. A mere 24 percent believe it's improving. And for the first time numerically more say Obama's economic program has made the economy worse, 33 percent, than improved it, 30 percent. Views that he's helped the economy have dropped by 9 points since spring. A majority, 52 percent, now disapproves of the way Obama is handling his job overall, another first in ABC/Post polls. Intensity increasingly is against him, with those who disapprove "strongly" outnumbering strong approvers by 14 points. A record 57 percent rate him negatively on handling the economy, strongly so by an even wider margin, 2-1. Seventy-eight percent now describe themselves as dissatisfied with the way the federal government is working, up 14 points just since July, to the most since October 1992.

That includes 25 percent who are "angry," tying the record. Among likely voters, 30 percent are angry, and they favor Republican candidates by a vast 47-point margin.

After winning the White House on the mantra of change, 53 percent of Americans now say Obama has failed to deliver "needed change to Washington." And just half now say he "shares your values" or "understands the problems of people like you," both vastly down from their highs.

And yet, after a 9 percent gap favoring Republicans in the Gallup congressional generic last week, this week Gallup had it tied at 46 percent, although the "enthusiasm gap" favoring the GOP remained at 25 percent (See chart).

Major realignment?

Several sources now see the potential for a major Indiana realignment. "We hear all this talk about nationalizing congressional races and nationalizing legislative races," one source told HPI on background, adding about President Obama, "This guy is toxic and his brand is toxic."

Southern Indiana lagged behind the Deep South in its Nixon-Reagan era transformation from Democrats to Republicans. It was the key battleground in the 2004 gubernatorial race between Mitch Daniels and Gov. Joe Kernan. In the 8th and 9th CDs, Democrats were willing to vote for GOP "policy" makers like presidents and governors. But because their families had been Democrats for generations, they tended to vote for sheriffs, clerks, commis-

sioners, congressmen and state representatives who were Democrat out of tradition and kinfolk. The 2010 election could break the final threads in congressional and legislative seats long held by Democrats. Sources tell HPI that polling revealed an 81 percent "wrong track" number in the Indiana portions of the Louisville and Cincinnati media markets and that number stood at 70 percent "in every Indiana House seat in the 9th."

Two older Public Opinion Strategies polls in July conducted on behalf of the NRCC in July in the 8th and 9th CDs show a potential blowout in the 8th CD and a dead heat in the 9th. In the 8th, POS had Republican Larry Bucshon leading State Rep. Trent Van Haaften 43-27 percent. The polls are old, conducted July 21-22 of 400 likely voters. The poll showed that 69 percent feel the country

is on the wrong track, 76 percent disapprove of Congress and 55 percent disapprove of President Obama. In the 9th, a POS poll conducted July 26-28 had U.S. Rep. Baron Hill leading Republican Todd Young 42-41 percent. In that survey, 68 percent said the country was on the wrong track, 56 percent disapproved of President Obama and 71 percent disapproved

of Congress. Both polls had a +/- 4.9 percent error rate.

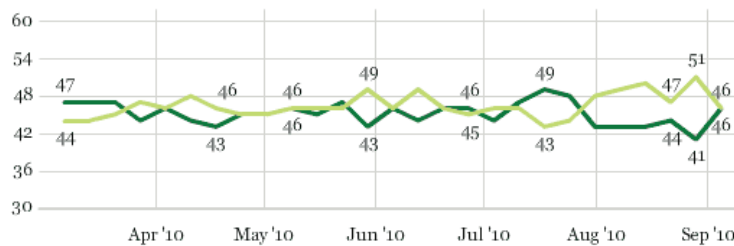
The reason those right/wrong track numbers are so elevated is due to a "Tea Party" mentality that some observers mistake for political moderates when, particularly in Southern Indiana, it includes conservatives who aren't comfortable declaring a party affiliation in opinion surveys and in primary elections.

Informed and reliable sources point to HD73, the seat held by the father and son Dennie Oxley combo for the past decade. This should be a reliable Democratic seat, but the younger Oxley ran into legal troubles following his 2008 lieutenant governor nomination and his father took over the seat, then slipped into a coma and missed the entire 2010 legislative session, depriving 67,000 constituents with representation. Polling data show the generic in the district at +14 for Republicans, Dan Coats leading Brad Ellsworth by 16 percent, and Republican Steve Davisson leading Democrat Ryan Bowers 51-29 percent. That is the kind of news that will ripple through districts where Democratic incumbents like State Reps. Paul Robertson, Sandra Blanton Bob Bischoff, and Terry Goodin are now facing the

Candidate Preferences in 2010 Congressional Elections

Based on registered voters

■ % Democratic candidate ■ % Republican candidate



Results based on weekly averages of Gallup Daily tracking

GALLUP



wave of their political lives.

President Obama made his first major trip in office to Elkhart in February 2009 when he pushed for the stimulus. U.S. Rep. Mike Pence said that very week, "Republicans oppose this bill because this backroom deal is simply a long wish list of big government spending that won't work to put Americans back to work. It won't create jobs. The only thing it will stimulate is more government and more debt. And it will probably do more harm than good." Democrats like New York Times columnist Paul Krugman are writing that the stimulus wasn't big enough and that Obama is now boxed in with a bad economy and no way to politically compensate.

Obama, himself, acknowledged in Elkhart that that if the plan didn't work, he would likely be "a one-term president."

That would be an overreach today. At this point in the presidency of Ronald Reagan, his approval rating stood at 41 percent and three years later he would win an epic 49-state landslide. Ditto for President Bill Clinton who in 1994 saw his Democrats lose 55 House seats in the last political tidal wave before he won a second term.

The charisma and "hope" of the candidacy of Barack Obama which brought him to Indiana 49 times in 2008 has wilted under bad times. The irony is that this "transformational presidency" is now poised to dramatically alter the Indiana political landscape in ways unfathomed in 2008.

Wednesday in Ohio

President Obama responded to House Minority Leader John Boehner on Wednesday saying that the election is between "fear versus hope, the past versus the future, the choice between sliding backwards and going forward. That's the choice you face this November."

In calling for public works projects and research and development grants "backed by the Chamber of Commerce," Obama said, "We have a different vision for the future. I never believe government has all the answers



for all the problems. I believe government should be lean, efficient. I believe it is the private

sector that should be the main engine for our recovery." Obama added, "That's what we Democrats believe in: a vibrant free market, but one that works for everybody." ❖



Bucshon up on TV, Young airs ad of Hill town hall meeting

By **BRIAN A. HOWEY**

INDIANAPOLIS - All three competitive Indiana Congressional districts lit up on the TV ad front over the past week, with Republican Larry Bucshon the latest to hit the airwaves. Of the six major party contenders in the 2nd, 8th and 9th CDs, only 8th CD Democrat Trent Van Haften has yet to go up on TV.

In Bucshon's ad, the Republican is shown in a farm setting, looking into the camera and saying, "Wasteful spending, government run health care, massive debt.

Politicians are bankrupting this country," Bucshon said. "Money doesn't grow on trees. I'll cut waste and spending, repeal Obamacare and lower health care costs with reforms that keep you in charge of your health care and not some bureaucrat."



In the 9th, after U.S. Rep. Baron Hill used town hall video of Republican Todd Young calling Social Security "a Ponzi scheme," Young responded with footage from Hill's August 2009 town hall meeting at Bloomington North HS. The ad titled "What you are about to see is real, actual town hall meeting 2009," shows footage of Hill saying, "This is my town hall meeting" as he is heckled by attendees." Headlines in the ad then says, "Wait, it gets better" and Hill is shown saying, "You're not going to tell me how to run my Congressional office." The town hall took place



at Bloomington North HS and the exchange took place when Hill ordered an IU student to turn off a recording device. The Bloomington Herald-Times recorded the video and posted it on its website.

Hill has scheduled a presser this afternoon in Jeffersonville to challenge Young on his resume as assistant Orange County prosecutor." On Wednesday Indiana Democratic Chairman Dan Parker said, "Todd Young owes Hoosiers answers. He claims to be a Deputy Prosecutor on his website and in his ads, but he hasn't been paid by the prosecutor's office for nearly three years. Right now, the voters only know three things about Todd Young: he thinks Social Security is a Ponzi scheme, he thinks Social Security and Medicare are welfare and now he is inflating his resume to mislead voters. The voters need answers."

The National Republican Congressional Committee is launching its TV campaign blitz, hammering Indiana Rep. Joe Donnelly as a pawn of Democratic leaders (Politico). The 30-second ad, airing in the South Bend media market, is the first of the cycle for the NRCC, which has laid out plans to invest \$22 million in 41 districts across the nation. House Republican campaign officials, looking to erase the 78-seat Democratic majority, plan. Party officials declined to specify how much they were spending to run the ad, which begins airing Monday, but an aide called the buy "significant." In their ad, Republicans balk at Donnelly's efforts to brand himself as an independent-minded, conservative Democrat who is not afraid to break party ranks. Donnelly has gone so far as to air a TV ad that slams "Nancy Pelosi's energy tax." The NRCC ad highlights Donnelly's support for the "Obama-Pelosi" health care bill, Wall Street bailout and \$787 billion economic stimulus package before asking, "Now Joe Donnelly wants us to believe he's independent?" Donnelly campaign man-



ager Mike Schmuhl fired back, saying: "Joe Donnelly's independence is reflected by his pro-life, pro-gun, anti-amnesty positions, as well as his opposition to Cap-and-Trade." Donnelly, a second-term Democrat who skated to reelection last cycle despite occupying a GOP-leaning 2nd District, faces a competitive race against state Rep. Jackie Walorski.

With both parties in agreement that House control is in play this fall, buoyant Republicans are assembling their roster of targeted districts and worried Democrats are building bunkers to protect their majority (Politico), Privately, Democrats are steeling for a loss of at least 25 seats. For Republicans, the expectations are much higher after an August recess that improved GOP prospects — some are already envisioning a 1994-like wave, when Republicans picked up 52 seats. But whether Nov. 2 is a good night for Republicans, a great night or even a historic one will depend on how close they come to winning the 39 seats necessary to win control of the House. And their success is contingent on how deeply

the party can cut into several distinct classes of Democratic-held seats. INDIANA 8TH DISTRICT (OPEN): The decision by Rep. Brad Ellsworth to run for the Senate has made this GOP-oriented, Southern Indiana-based seat — 62% for George W. Bush in 2004 — a prime Republican pick-up opportunity. In the "Majority Makers" category Politico writes: INDIANA 2ND DISTRICT: Rep. Joe Donnelly has sought to emphasize his independence in his Republican-leaning district but his vote for health care reform has hurt him with his former allies in the anti-abortion movement and the economy is a key issue in his district. INDIANA 9TH DISTRICT: Rep. Baron Hill ran well ahead of Barack Obama in 2008 in this Republican-oriented, southeastern Indiana-



based seat but his votes for health care reform and especially Cap-and-Trade complicate his reelection prospects.

8th CD Horse Race Status: Leans Bucshon; **9th CD Horse Race Status:** Tossup

U.S. Senate: 3 October debates

The Indiana Debate Commission has scheduled three U.S. Senate debates for Indianapolis, Fort Wayne and Vincennes.

On Monday Oct. 11, the first debate will take place at the University Place Conference Center at IUPUI.

On Friday Oct. 22, the second debate will be at the Rhinehart Music Center, Indiana University-Purdue University Fort Wayne.

On Monday Oct. 25, the final debate will be at the Red Skelton Performing Arts Center, Vincennes University. All broadcast times have yet to be scheduled.

The U.S. Chamber of Commerce has begun running TV ads in Indiana on behalf of Republican Dan Coats, assailing the health reforms.

At a press conference this morning, Ellsworth charged Coats voted for amnesty on illegal immigration while in Congress in the 1980s. "This is a pattern that we're seeing develop about saying one thing to the people in Indiana and doing something different in D.C.," Ellsworth said. "There's only one person in this race, and that's former Sen. Coats, that has voted to grant amnesty to illegal immigrants."

Coats and U.S. Rep. Brad Ellsworth continued to slug away over Coats' lobbying career. Coats says Ellsworth is just trying to distract people from his voting record in Congress by bringing up clients that Coats never represented when he was employed at the Washington law firm King & Spalding (Allen, South Bend Tribune). Ellsworth held a news conference Tuesday morning at the United Auto Workers office on South Main Street to talk about King & Spalding's effort to prevent the federal government's \$800 billion economic stimulus bill from requiring that all materials used in stimulus-funded infrastructure projects

be bought from U.S. companies. King & Spalding lobbied against the "Buy American" provision last year on behalf of Duferco Farrell, a Swiss-Russian partnership that uses imported steel slabs to make steel coils at its plant in Pennsylvania. "The stimulus bill, whether you agree with it or not, was to prop up our economy, to stabilize our economy, not a foreign country," Ellsworth said, "and Mr. Coats' lobbying firm lobbied actively against the Buy American provision in that bill." Ellsworth added that it's hypocritical for Coats to say in his economic plan that he will work with government to provide incentives that bring manufacturing jobs back to the United States when his firm lobbied against that part of the stimulus. King & Spalding hired Coats in 2005 to be co-chairman of its government advocacy and public policy practice. But on the Senate lobbying reports Ellsworth's campaign cited Tuesday, Coats' name does not appear among the individual King & Spalding lawyers who worked

on the firm's Duferco project. In the end, the Buy American provision remained in the stimulus bill, despite opposition from some business groups and foreign governments. Pete Seat, communications director for Coats' campaign, responded to Ellsworth's statements by saying the stimulus bill did not help stimulate job growth. "We need to cut excessive spending, lower taxes, reduce regulations, encourage innovation and open foreign markets to U.S. products," Seat wrote in an e-mail. "Then we can get America back on track and Hoosiers back to

work."

Coats announced his "Energy Solutions for Hoosiers" proposal Tuesday as part of his plan for economic growth and job creation during a tour of the Poet Biorefining ethanol plant just outside of Alexandria (Anderson Herald-Bulletin). During his visit, Coats stressed that he will be committed to lessening the country's dependence on foreign oil looking to things like the ethanol produced at Poet. Coats said the U.S. needs to increase domestic supply and create predictable vehicle efficiency standards for automakers; work toward allowing ethanol to compete in a fair and open market; encourage production of base load electricity including clean coal, hydropower, natural gas, nuclear, geo-thermal and renewable and alternative fuels



Democratic Senate candidate Brad Ellsworth appeared at the USA Cafe in Monticello last week to speak to the White County Tea Party chapter. (Lafayette Journal & Courier photo)



such as clean coal-to-liquid technology and wind power; and double the amount of nuclear reactors over the next 20 years. The former GOP senator said technology like that demonstrated at Poet will not only provide for a better, cleaner energy, it will also help create jobs locally and nationally. The Cap-and-Trade legislation passed by the House of Representatives in 2009 to rein in carbon dioxide from coal, oil and natural gas is not the answer to achieve energy independence, Coats said.

Ellsworth said that while Coats' may be critical of the Cap-and-Trade legislation while campaigning, as a Washington lobbyist, Coats and his firm made \$480,000 advocating for cap-and-trade on behalf of hedge fund mogul Julian Robertson. **Horse Race Status:** Likely Coats

2nd CD: Debat set

U.S. Rep. Joe Donnelly and Republican challenger state Rep. Jackie Walorski have agreed to a debate at a northern Indiana public television station (Associated Press). The South Bend Tribune reports that the Republican and Democratic 2nd Congressional District candidates and Libertarian Party candidate Mark Vogel will debate Oct. 27 at WNIT-TV in South Bend. The American Democracy Project of Indiana University South Bend is sponsoring the debate in cooperation with the student-led Political Science Club and the community-based League of Women Voters of the South Bend Area. **Horse Race Status:** Leans Donnelly

HD21: Farm Bureau PAC endorses Wesco

The Indiana Farm Bureau has endorsed Republican Timothy Wesco. In a letter to Wesco's campaign, Farm Bureau ELECT said, "We are delighted to endorse you, and we look forward to a beneficial relationship after your election." Wesco said, "I look forward to working with Farm Bureau at the statehouse to promote positive changes for agriculture and our communities. Partnering with Farm Bureau, we will work to encourage rural economic opportunities and enterprises to ensure that Indiana's future agricultural strength will continue to represent our state's rich agricultural heritage."

Horse Race Status: Likely Wesco

HD37: Hupfer mailers tie Reske to Obama, Bauer

Republican Kyle Hupfer is sending out two mailers (see graphic at right) tying State Rep. Scott Reske

to President Obama and Speaker Bauer. The other mailer reads: "Incumbent Scott Reske and his liberal friends are moving Madison County in the wrong direction." Hupfer also has a billboard up on I-69 - where a significant portion of his voters travel - featuring his family ties to the district. Reske has sought to portray Hupfer as a carpetbagger.

Horse Race Status: Tossup

Rokita writes legislative candidates

Indiana Secretary of State Todd Rokita's crusade to reform Indiana's redistricting process now includes pressing legislative candidates to commit to change. He sent a letter to all 254 nominated candidates running for seats in the General Assembly (Fort Wayne Journal Gazette). "The men and women who have put their names on the line to represent their fellow Hoosiers should also be willing to put people before politics," Rokita said. "That starts with committing to fair, more competitive districts that better represent communities and promote competition." Rokita's redistricting proposal was met with a lukewarm response last year in the legislature. Rokita's proposal calls on legislators to use new criteria: keeping communities of interest together; creating more compact and geographically uniform districts; following known political boundaries, such as county and township lines; not considering political data for partisan purposes, such as the addresses of incumbents; and nesting two House districts within the lines of each Senate district.

The New York Times reported that Gov. Mitch

Daniels is making it a priority to help Republican House candidates. Daniels said that retaking the House would have an impact on redistricting as well. "We expect and intend to have a very nonpartisan redistricting process," Daniels said, complaining that the Congressional districts drawn 10 years ago had favored Democrats. "But the data tell us that any sort of fair redistricting is likely to improve Republican chances." ❖

Incumbent Scott Reske has voted to raise taxes on Hoosier families, increase the state budget and watched as unemployment skyrocketed.

- Scott Reske has consistently raised taxes on businesses and working families.
- Scott Reske supported a state budget that would have bankrupted the State of Indiana.²
- Scott Reske has consistently voted against legislation that would create tens of thousands of Hoosier jobs.³

Scott Reske also supports the Radical Agenda of Barack Obama and Washington Liberals

- Scott Reske was on Barack Obama's Campaign Leadership Team and supports his liberal agenda.

The Obama Agenda has brought us:

- ⇒ Record Unemployment
- ⇒ Out of Control Government Spending
- ⇒ Wall Street Bailouts
- ⇒ Government Takeover of Our Healthcare System

We can't afford liberal State Representative Scott Reske anymore. It's Time for Change.



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

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

HD19: Dan Klein (R) v. Rep. Shelli VanDensBurgh

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 (R)

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

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

Leans D

HD36: State Rep. Terri Austin (D) vs. Kim Builta (R)

HD62: Rep. Sandra Blanton (D) v. Matt Ubelhoer (R)

HD70: Rep. Paul Robertson (D) vs. Rhonda Rhoads (R)

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

Leans R

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

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

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 (D) vs. Clerk Sharon Negele

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

HD66: Rep. Terry Goodin (D) vs. Jim Lucas (R)

HD74: Rep. Russ Stilwell (D) vs. Susan Ellspermann

HD86: Rep. Ed DeLaney (D) vs. Kurt Webber

HD97: Rep. Mary Ann Sullivan (D) 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, GiaQuinta, Moses, Pryor, Bartlett, Porter, Crawford, Summers, Day.

Republicans: Open-Borrer (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. ❖



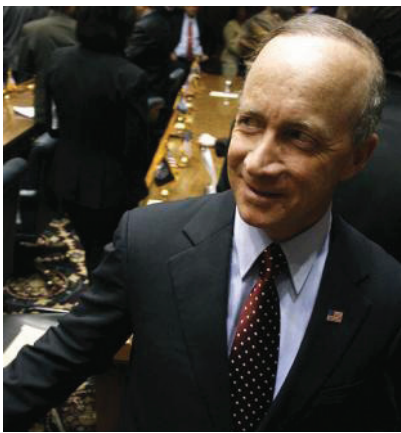
It's time to break out the emergency brandy

By **GOV. MITCH DANIELS**

INDIANAPOLIS - Ronald Reagan enjoyed telling of the elderly Blitz victim rescued from her demolished London flat in World War II. A fireman found a bottle of brandy under the ruins of her staircase and offered her a nip for her pain. "Leave it right there," the matron ordered. "That's for emergencies."

A look around the American economy suggests that it's time to break out the brandy. By any measure, growth is anemic—alarmingly so for this time in what is supposed

to be a recovery period.



The administration's wild foray into trickle-down government spending has clearly failed. Funneling borrowed billions to government workers hasn't stimulated anything where it counts, in the private sector. Moreover, the administration's big-government policies—most notably health-care reform—are holding back job cre-

ation. Drowning in new or pending regulations and taxes, businesses, banks and investors are understandably sitting on dollars that could be putting Americans to work.

Especially ominous are the implications of slow growth for the nation's burgeoning debt. The government's projections, which already point to national bankruptcy, rely on growth assumptions we aren't even close to achieving. They say the economy must grow at an average rate of 3.4 percent for 10 years—better than any previous decade in a half century. And that is just to achieve disaster, with debt rising to as much as 90 percent of GDP. To stave off catastrophe, nothing short of a truly vibrant, extended boom will do.

Most Americans don't know these figures in detail, but they have a strong sense that we are in a dangerous place. As I was leaving a small-town Indiana diner a couple weeks ago, a local said to me, "When the boys in there are discussing Greece, and it doesn't refer to the cheeseburgers, something is different." Odds seem strong that a degree of balance is about to be restored to the currently lopsided Congress.

Republicans may not reach a majority, but they

will be looked to for constructive answers to this central dilemma of our era. A time-limited, emergency growth program aimed at triggering new private investment should be a primary goal of the next Congress, one hopes on a bipartisan basis.

What might such a project comprise? Here are a few suggestions:

- **Payroll tax holiday.** Suspend or reduce for the emergency period, say one year, the Social Security payroll tax on workers. Offset the revenue loss twice over through a combination of the following four policies.

- **Impoundment power.** Presidents once had the authority to spend less than Congress made available through appropriation. On reflection, nothing else makes sense. Plowing ahead with spending when revenues plummet is something only government would do. In Indiana, we are still solvent, with no new taxes, money in reserve, and a AAA credit rating only because our legislature gave me the power to adjust spending to new realities. I promise you that a president who wanted to could put the kibosh on enormous amounts of spending that a Congress might never vote to eliminate, but the average citizen would never miss.

- **Recall federal funds.** Rescind unspent Troubled Asset Relief Program (TARP) funds and any unspent funds from last year's \$862 billion "stimulus" package, as well as large amounts of the hundreds of billions of "unobligated funds" unspent from previous appropriations bills.

- **Federal hiring and pay freeze.** Better yet cut federal pay, which now vastly outstrips private-sector wages, by 10 percent during the emergency term, and freeze it after that.

- **A "freedom window."** Might we try some sort of regulatory forbearance period in which the job-killing practice of agonizingly slow environmental permitting is suspended, perhaps in favor of a self-certification safe harbor process? Businesses could proceed with new job creation immediately based on plans that meet current pollution or safety standards, or use best current technology, subject only to fines and remediation if a subsequent look-back shows that the promised standards were not met.

- **Accelerated or full expensing of business investment.** Economists differ about its success on past occasions, and certainly it involves a degree of pulling forward investment that would have happened eventually. But it seems well matched to the current situation where so much money is cowering on the sidelines, and a burst of new investment might jump-start growth that enables more investment in the future. (Reports indicate that the administration is about to propose this very idea. If so, good.) Surely there are better ideas or variations on these suggestions that a jobs-minded Congress could fashion. And clearly permanent tax and regulatory moderation is vastly



superior to temporary. But to have a prayer of avoiding fiscal ruin, we need to go to economic general quarters immediately.

It may be fanciful to imagine that the Obama administration, chastened by economic reality and an election setback, might join or even champion such a plan. But no one has a bigger stake in the kind of private-sector growth it would attempt to generate. Any hopes of paying

for their health-care and other spending schemes depend on it.

With or without Democratic help, Republicans should step forward with these or superior ideas. A stagnant, impoverished America will not be a greener or safer or fairer place. Grown-ups make trade-offs. Pass the brandy, then let's get busy. ❖

Gutless government avoids political risk

By **MORTON J. MARCUS**

INDIANAPOLIS - The distinguished philosopher, L. E. Font, ordered the chili five ways. I, less courageous, contented myself with a four-way bowl. As we waited for the delivery of our orders, he started to speak, eyes rolled back in his head, as in a trance.

"The hallmark of our times is the avoidance of risk," he said, as if channeling a spirit from some distance.

"The great advances of financial markets have been the development of new mechanisms to shift risk to others."

"Is that so?" I asked, without anticipating an answer.

"Secondary markets," he said, "futures markets, credit default swaps and collateralized debt obligations make it possible to find someone who will assume the risk you don't want to bear. These tools are not unlike insurance which has been

around for centuries. For a fee, someone else assumes the financial risk of your potential loss from fire, accident, or other misadventure."

"True," I said, pretending this was a conversation.

"Risk-shifting," Mr. Font continued "is used in many different forms for a diverse set of risks by virtually all businesses, households, and governments. Not all risk-shifting, however, involves financial loss. There is a lively market for shifting blame. Governments often do this when they 'privatize' the management of public functions or assets."

"Quite so," I agreed.

"When a government entity does not want to assume the political risk of managing its resources, it finds a private firm that, for a price, will do the job. This should not be confused with ordinary out-sourcing which can be a

simple exercise of fiscal prudence. Auxiliary snow removal contracts are a good example. A rational government will not maintain a fleet of snow plows sufficient to handle all possible blizzards. No, it will contract with private vehicle operators to go into action when there is a particularly heavy snowfall."

"Indeed," I said.

Suddenly Mr. Font made eye contact with me.

"You," he said with particular intensity, "are witness to several such adventures. Your Indiana Toll Road was leased to a firm that has done a marvelous job of improving that vital highway. But what has it done that the state could not have done? It raised fees and cut employment. Often politicians are too timid to do what is necessary; then they outsource responsibility to escape blame."

"But," I protested, "the state got a big chunk of money to improve our other highways. That was a good deal."

"Was it?" he asked. "Have you read any analysis of the deal? What do you understand of the sale of the Indianapolis water and sewer systems to a not-for-profit organization that is tangentially responsible to the people of Indianapolis? Yes, much information has been made available, but where is the independent analysis that explains the deal in terms of benefits and risks that we can understand?

"More recently," he continued, "the same government that traded a vital public asset for a short-term financial boost has negotiated the leasing of its parking activities to a subsidiary of Xerox. The city did not have the courage to raise parking fees. But more to the point it would seem that the city has given control of its parking lanes to a private company for 50 years. Does the contract allow the city to change the use of those lanes? Can it extend the sidewalks or install bicycle lanes where today cars park?"

Fortunately at this point our chili arrived; Mr. Font fell silent. For me, this was a great relief. Philosophy before a meal is always a downer. ❖

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



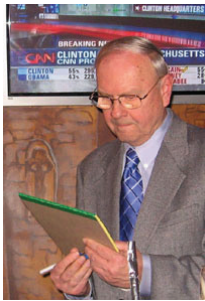
Morton Marcus
Column



Coats never dreamed he'd be leading now

By JACK COLWELL

SOUTH BEND - Dan Coats, the former and likely future senator from Indiana, never dreamed when he announced candidacy last February that he'd be where he is now, way ahead, with a New York Times analysis projecting a 97.1 percent chance to win.



"I expected to be trailing, hopefully gaining," Coats says of what he envisioned for this September in a long-shot challenge to Sen. Evan Bayh, the Democratic incumbent.

But soon after Coats announced for the Republican nomination _ starting with zero funding to counter the \$13 million in Bayh's campaign coffers

_ Bayh said at filing deadline that he really didn't like the Senate and wouldn't seek re-election.

"I didn't believe it when I first heard it," Coats said during an interview over coffee in South Bend. "I thought it was just some speculation of some blogger."

If Bayh had run?

"It would have been difficult," Coats understated.

It appeared so difficult that other Republicans deemed better senatorial prospects wouldn't run. So, Coats decided to come back to Indiana and run because, "I thought we needed a competitive race."

When it was suggested that Bayh would have won, given Bayh's long-time popularity with many Republicans as well as Democrats in Indiana, Coats conceded, "That might be right." Maybe not a certainty, however, with a Republican tide (a tsunami?) looming.

Those indications of this being a big Republican year are factored now in the projections that Coats will win in a Republican leaning state.

"I'm campaigning as if we were dead even," Coats said. "I've seen too many races turn literally in the last weekend."

Indeed, polls fluctuate. Projections change. The only poll that really counts is the one at the polling places on election day.

Congressman Brad Ellsworth, Coats' opponent, is the type of moderate Democrat who usually appeals to Hoosier voters. But he was thrust into the race Bayh abandoned without Bayh's advantages of saturation name recognition, oodles of campaign funding and long-time popularity.

Ellsworth sought in an early TV buy to introduce

himself as a sheriff, a positive portrayal of the Evansville Democrat based on his service as a popular Vanderburgh County sheriff before election to Congress.

Now will come harder-hitting TV, pointing out that Coats before returning to Indiana was a Washington lobbyist and noting the "conflicts" in lobbying that the Indiana Democratic organization has hammered away at in on-line barrages.

Then, of course, Coats will hit back, saying that being a sheriff in the past is nice but voters need to focus on votes by Ellsworth in Congress for "the Pelosi, Obama agenda."

Coats said he is braced for TV ads criticizing his lobbying. He is well aware voters don't regard Washington lobbyist as the most popular profession.

"It's all a public record," Coats said. "It's all released."

He scoffed at efforts to link him with unpopular lobby clients because, he contended, the link is to others in the lobbying firm and that he has nothing to be ashamed of in his own lobbying.

Lobbying links must be made in a way to diminish the lead Coats now holds if Ellsworth is to have a chance.

Coats said he won't just be on defense but will point out votes by Ellsworth for health care reform and other "liberal agenda" measures of President Obama, whose approval rating is low in Indiana.

"Obama totally misread the results of the election," Coats contended.

"Voters were frustrated with George Bush and war in the Middle East," Coats said, but they were not interested in pushing "a bottled-up liberal agenda."

Coats might have done something about that war and the frustration if Bush had selected Coats rather than the blundering Donald Rumsfeld as defense secretary.

Coats and Rumsfeld were reportedly the two finalists.

"I'm not surprised that I came in second," Coats said, with Rumsfeld the favorite of Vice President Dick Cheney and Coats known as an advocate of the Powell doctrine on how to fight wars. Cheney and Rumsfeld didn't like the doctrine or Colin Powell, its author.

Coats is surprised, however, amazed, at where he is now, in a Senate race he didn't envision a year ago and with a big lead he never dreamed of when he announced candidacy. ❖



Rich James, Post-Tribune: I don't know about you, but I thought it was fitting that President Obama was in New Orleans last Saturday to mark the fifth anniversary of Hurricane Katrina while Republican Glenn Beck was walking all over the Rev. Martin Luther King Jr.'s "I Have a Dream" speech in front of the Lincoln Memorial. Obama's appearance in New Orleans was fitting because Bush turned his back on the people there. Bush never admitted it, but Mike Brown -- the FEMA director -- brought the thing into perspective last weekend. Brown said he told Bush that nothing was working and spent four days trying to convince Bush and the administration that something needed to be done because people were dying. Bush replied with his famous "You're doing a heckuva job, Brownie" comment. Back to Beck, who billed his rally as "Restoring Honor." I don't know whose honor Beck was restoring, but Obama has been doing a pretty good job of restoring America's honor around the globe over the last 18 months. It's the honor Bush trashed with his arrogance when it came to dealing with other countries. And as Beck was bouncing between politician and preacher, he snuggled up to Sarah Palin, or maybe it was vice versa. Briefly, anyway. She gave her standard spiel and was gone in 15 minutes. She must have gone looking for her own lost honor. And a final thing about Beck and his tea party friends. Beck said there were at least 500,000 at his rally. An aerial photography firm that specializes in crowd counts was hired by CBS. It estimated 87,000 people with a plus or minus error of 9,000. Kind of makes you wonder what 87,000 people see in Beck. Scary, isn't it. ❖

Dan Carpenter, Indianapolis Star: I'm sure the last thing he wanted to do was sound cavalier, but President Barack Obama's "turn the page" speech had the decided ring of "put it all behind me and move on," the standard statement by sports stars who've just lawyered their way out of doing jail time for assault. It's not just that the Iraq we broke is a long, long way from running on its own, much less operating the Western democracy our own Sen. Richard Lugar berates Obama for failing to export. It's the breezy refusal, in the face of a world that knows better, to acknowledge the victimhood of a people we were wrong to attack and wrong before that to subject to 13 years of economic embargo. For his own reasons, practical as well as political, Obama chose to cite the sacrifices American GIs made for a counterfeit cause he himself did not support (initially, at least, before the funding bills). He conspicuously failed to mention that Iraqi deaths exceeded ours by a very conservatively estimated 25 to 1 in an invasion and occupation fabricated on the bogus pretext of 9/11 complicity and weapons of mass destruction. ❖



Leslie Stedman Weidenbener, Louisville Courier-Journal: In news clippings from throughout Southern Indiana — including some of my own — Todd Young of Bloomington is usually labeled a deputy prosecutor in Orange County, a description that comes straight from the first line in his website biography and other campaign material. But I've decided that's not the most accurate way to describe his occupation. It's true that Young is a sworn deputy in the Orange County prosecutor's office. However, Young's job — the way he makes a living and supports his family — is not as a deputy prosecutor. He's a private practice attorney in Salem, although in essence, he's been on a sabbatical from his career since last fall when he started campaigning full time. This might seem like a nitpicky thing. After all, if you read Young's full bio, you'll find a slightly different description later. It says Young "has also served as a part-time deputy prosecutor for Orange County." But Young acknowledged that later, he did not typically bill the county for his services. "I enjoy doing it," he said. "And I know the Orange County prosecutor's office runs on a very tight budget." The question is whether Young's use of the title "Orange County deputy prosecutor" is at all misleading. He says no. He sometimes clarifies that it's a part-time job — but not always. ❖

Mizell Stewart, Evansville Courier & Press: It will take courage, clarity and leadership to fashion the best plan to bring the governments of Evansville and Vanderburgh County together. Only then will city and county elected officials agree to move it forward. And only then will city and county voters be sufficiently open to the idea to consider supporting it in a countywide referendum. Courage and clarity were sorely lacking when the Evansville-Vanderburgh Reorganization Committee decided last Tuesday night to vote on a last-minute proposal over how law enforcement would be structured under a consolidated local government. You've probably heard the story by now. Committee member and Teamsters Local 215 President Chuck Whobrey proposed giving the Vanderburgh County sheriff the authority to appoint the Evansville police chief. Whobrey suggested such a structure could preserve the department's existence, achieve a unified chain of command and facilitate a single law enforcement budget. That proposal, along with a change in the makeup of the sheriff's Merit Commission, was then put forward by the Rev. Adrian Brooks, chairman of the Public Safety Subcommittee, to the full committee. With all due respect to Whobrey, Brooks and the rest of the committee, that never should have happened. The ensuing discussion and vote was confusing and painful to watch. ❖



Obama implores church on Quran

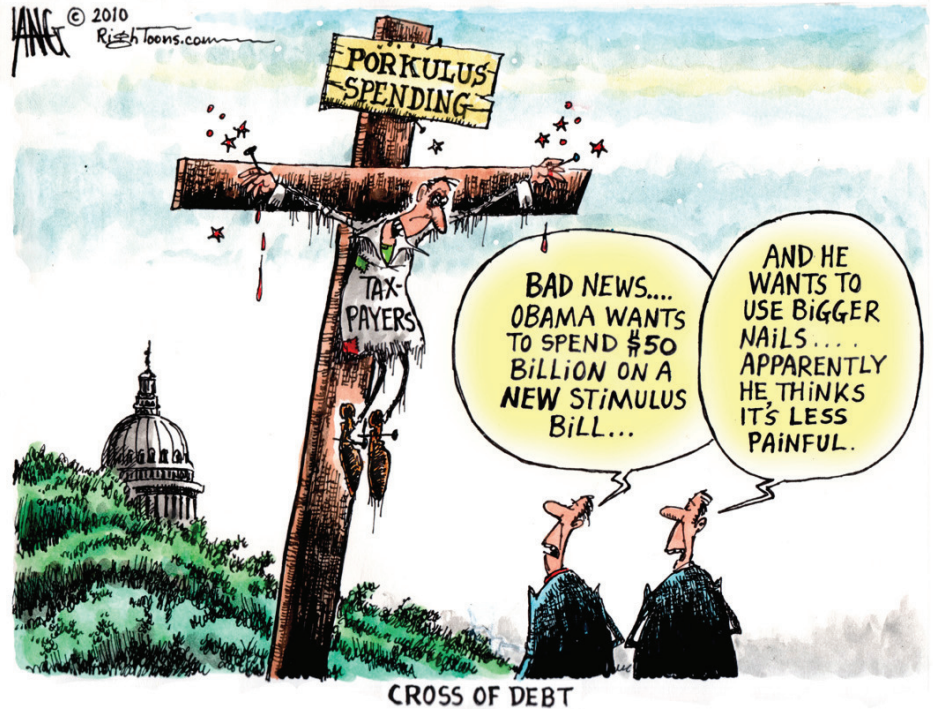
WASHINGTON - President Barack Obama is exhorting a Florida minister to "listen to those better angels" and call off his plan to engage in a Quran-burning protest this weekend. Obama told ABC's "Good Morning America" in an interview aired Thursday that he hopes the Rev. Terry Jones of Florida listens to the pleas of people who have asked him to call off the plan. The president called it a "stunt." "If he's listening, I hope he understands that what he's proposing to do is completely contrary to our values as Americans," Obama said.

"That this country has been built on the notion of freedom and religious tolerance." "And as a very practical matter, I just want him to understand that this stunt that he is talking about pulling could greatly endanger our young men and women who are in uniform," the president added. Said Obama: "Look, this is a recruitment bonanza for Al Qaida. You could have serious violence in places like Pakistan and Afghanistan." The president also said Jones' plan, if carried out, could serve as an incentive for terrorist-minded individuals "to blow themselves up" to kill others. "I hope he listens to those better angels and understands that this is a destructive act that he's engaging in," the president said of Jones.



Decatur soldier killed in Iraq

DECATUR - A U.S. Army soldier from Decatur died Tuesday while serving in Iraq, according to a friend and family member. Phillip Jenkins was deployed to Iraq in June. His mother



was called Tuesday night by military officials and informed of his death, said Pam Lengerich of Decatur, a longtime friend of both Jenkins and his mother. Jenkins' uncle, Gary Hauter of Ohio City, Ohio, said he also learned of his nephew's death Tuesday. Jenkins, a 2002 graduate of Belmont High School, is survived by his wife and two children, who are living in Hawaii, where he had most recently been stationed, Lengerich said.

IFP report predicts more spending cuts

INDIANAPOLIS - The Indiana Fiscal Policy Institute today released a bulletin examining the state's Fiscal Year 2010 closeout. The report noted that it has been nearly 30 years since the state faced a similar fiscal challenge. The year-over-year revenue reductions are steeper than previously experienced and there are scant signs of economic recovery at this point in time. Indiana's tax revenue fell 1.1 percent in FY 2009 and another 5.8 percent in FY 2010. Combined those

reductions put the state's revenue collections at about the same level as FY 2005. Among the report's major findings: --The revenue-killing recession and not irresponsible spending has created a structural deficit going into the fiscal 2012-13 budget. The governor's spending cuts have mitigated the problem through the current fiscal year. --The federal stimulus did not cause the structural deficit. Nor has it solved it. Indiana used the stimulus money as a bridge across the worst of the revenue losses. --Indiana's changing tax mix means it must rely more heavily on income and sale taxes for revenue at a time when both have become more volatile and, therefore, much more difficult to predict. --Elimination of state property tax relief means there is more money for education, but less funding flexibility during the recession. "Barring a rapid turnaround in the economy, the General Assembly will face tough choices when it begins work on the next two-year budget in January," said IFPI President John Ketzenberger. "No one likes the prospect of additional spending cuts



or tax increases, but that may be the reality during the next session." The full report is available on the Indiana Fiscal Policy Institute web site – www.indianafiscal.org

Commissioner Cutter dies at age 67

INDIANAPOLIS - Indiana Insurance Commissioner Carol A. Cutter 67, Indianapolis, died Sept. 6 after a prolonged illness. "She was very well respected and liked both here in Indiana and nationally," said Commerce Secretary Mitch Roob. "This is a big loss for Indiana." Gov. Mitch Daniels called Cutter "a wonderful individual and a first-rate professional." Services will be at 10 a.m. Friday in Friedens United Church of Christ, Greenwood, with visitation there from 2 to 8 p.m. today.

Navistar leaving Fort Wayne

FORT WAYNE - It's all over but the packing (Fort Wayne Journal Gazette). Navistar International Corp. on Wednesday said it will invest \$205 million to create new headquarters, technology and parts operations in suburban Chicago. The announcement extinguishes all but the most stubborn doubt that Warrenville, Ill.-based Navistar is making good on its word to "phase down various operations" in Fort Wayne.

Bennett grilled on state takeover

SOUTH BEND - Indiana schools Superintendent Tony Bennett took on questions from a crowd of 150 or so parents and educators, that ranged from third-grade reading

levels to the income of parents. Many questions in the town hall meeting Wednesday at Century Center, sponsored by The Tribune and WSBT, circled back to South Bend's three schools on academic probation. There are worries about a loss of local control as the Indiana Department of Education watches this year and decides whether or not to take over Riley and Washington high schools and the former Bendix School. "I don't think we can hide behind the concept of local control that has poor or mediocre results," Bennett replied. "We should all be about local success." He explained that the takeover, if it happens, would mean that the state would take responsibility for educating the students and the money to do that. It could happen in a range of ways, from turning the school into a charter school, to assigning a private management team.

Bayh secures funds for NW Indiana

WASHINGTON - Lake County communities will receive more than \$5.5 million in federal dollars aimed at revitalizing urban neighborhoods. Gary, Hammond and Lake County will be among the beneficiaries of the third round of funding for the Department of Housing and Urban Development's Neighborhood Stabilization Program, U.S. Sen. Evan Bayh, D-Ind., said Wednesday. The program offers assistance to help communities acquire, redevelop or demolish abandoned properties.

Students grill Gov. Daniels

COMMISKEY - Graham Creek Elementary School students peppered Gov. Mitch Daniels with questions ranging from his thoughts on longer

school years to education budget cuts. Daniels spent more than an hour Wednesday morning at the southern Jennings County school between stops at Lawrenceburg and Salem. The governor said he chose to visit Graham Creek due to its meeting and exceeding educational standards in recent years. Daniels seemed to enjoy his time with the students, as his staff often had to coax him out of classrooms in order to keep his schedule.

Net metering changes urged

INDIANAPOLIS - A proposed expansion of Indiana's rules dictating which owners of wind turbines and other renewable power systems get credit for excess power they generate is drawing early support from clean energy advocates (Louisville Courier-Journal). The draft "net metering" rule would boost the state's power cap for renewable power units and expand it to all customer classes served by electric utilities. Under net metering, customers are charged only for the net amount of power they use. They get credit on future bills for excess power generated and sent into the electric grid. But Indiana's current rules apply only to homeowners and K-12 schools and set a 10-kilowatt limit for each customer tapping the wind, sun or other clean energy sources. The proposal drafted by the Indiana Utility Regulatory Commission and released last week calls for expanding net metering to all customer classes and raising the power capacity 100-fold to 1 megawatt. The panel agreed to revise the rules at the behest of state Sen. James Merritt, R-Indianapolis, after a push to update them failed in the Legislature's closing days this March for the second straight year.