V24, N24



How Sen. Donnelly was Trumped

He withstood the Kavanaugh spectacle, but Trump and the caravan doomed him

By BRIAN A. HOWEY

NOTRE DAME, Ind. – When the polls closed on Election Day last November, U.S. Sen. Joe Donnelly expected to defeat Republican Mike Braun. He believed he had weathered the Brett Kavanaugh spectacle that his party sprang on the nation



in mid-September. He believed he could outlast the Mexican

"caravan" that was more than 1,300 miles away with a Cat 5 hurricane between it in the U.S. It

would disappear from Fox News a day later. But a Donnelly reelection was not to be.

Donnelly was upset in a \$110 million Senate race,



where one person was responsible for pumping \$20 million against his reelection. The Granger Democrat believed his campaign had met every metric it had deemed crucial. He

Continued on page 4

\$22,000,000,000,000 debt

By CRAIG DUNN

KOKOMO – I begin my annual National Debt rant with two questions for our illustrious members of Congress and the president:

1. Do you fully understand that the trajectory of



our debt growth will eventually economically crush our country and jeopardize even our treasured freedoms?

2. At what point do you finally take significant action to address this existential risk?

Just a mere 18 years ago, our National Debt was at a quaint and manageable \$6,000,000,000,000. I write out all of the zeros because 12 zeros seem amazing to me. In just eigh-



"I haven't even thought about it."

- President Trump, to reporters in the Oval Office Wednesday when asked if he was likely to fire National Intelligence Director Dan Coats, after several reports said he was 'fuming' at the former Indiana senator.

HOWEY HOWEY



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teen short years our debt has soared to just shy of \$22 trillion. Why does this growth in our debt seem to scare only me and a few wonkish college economics professors?

Basic economics tells us that you cannot maximize production of both guns and butter without causing negative effects on your economy. The usual impact of massive government borrowing to fuel even greater massive spending are high levels of interest, high levels of inflation and high unemployment. Remember Ronald Reagan's misery index? By all conventional wisdom, it should now be off the charts, but it is not.

We presently have low interest rates, low levels of inflation and record low unemployment. While I am personally pleased with the current state of the economy, deep down in

my soul I get a squirming feeling that these present good times are just an anomaly. Is it possible that the primary reason that things are going so well economically at this time is that the United States is the economic rock of the world with no peer in sight? Does foreign money fuel our ability to borrow and spend through their purchase of our Treasury securities be-

cause we are the safest game around? What if we weren't? What would happen then?

In the late 19th Century, Germany was widely considered to be one of the strongest and most advanced countries in the world. Their education system was believed to be second to none. It had early childhood education. Its secondary schools emphasized cultural training. German universities were modern research schools and distinguished for their achievements in science.

Karl Benz invented the gasoline powered automobile, Rudolf Diesel invented the compression ignition engine, Heinrich Hertz discovered electromagnetic waves, Wilhelm Rontgen invented x-rays, Friedrich Kekule developed the theory of chemical structure, Paul Ehrlich produced the first medicinal treatment for syphilis and then there was that guy Einstein.

Germany had it going until its leaders mindlessly plunged itself into a little conflict we like to call World War I. The German government borrowed heavily to finance their war effort. It did so with the full intent of making its victims repay the loans. Oops! Sorry, Wilhelm. It didn't work out that way. Post-war Germany was saddled with both its war debt and reparations inflicted upon it by the victorious allies.

Politicians being what they are the world around, the German politicos vied for the affections of the German people by launching huge social programs. University enrollment exploded, almost doubling the pre-war numbers, encouraged by no fees, free textbooks, free clothing, free medical,



free transportation and substantial living allowances. There were free concert tickets and hefty discounts on food.

Almost 90% of German government spending went for big bureaucracy, social programs, moneylosing nationalized businesses and other subsidies. The Germans subsidized municipalities. They ran an insolvent government-run pension system. The German government provided health insurance for millions of people. There were 1.5 million disabled veterans to provide support. The government subsidized the arts. There were free government theaters and opera houses. The governmentowned railroads lost money. The German government-owned factories producing sausages and margarine

lost money.

For a defeated nation, life was pretty good as German borrowing continued to finance a comfy lifestyle for its people. And then life abruptly changed.

In 1923, France sent troops into the industrial heartland of Germany, the Ruhr, in an effort to enforce payment of war reparations. The German government responded by subsidizing those who pursued a passive resistance against the French. As more debt piled on, deficits ballooned.

At the peak of its inflation problem in late 1923, only 1.3% of German government spending was covered by tax revenue. The result was that in five short years prices soared over 100 billion-fold.

Inflation crushed everyone. Many bank deposits were devalued to nothing. Unemployed coal miners roamed the countryside looting and plundering because farmers refused to trade their produce for worthless

paper money. The government enacted rent controls and housing developments ceased. Libraries and museums closed and dissolved their collections. Scientific research nearly ground to a halt. On Fridays, workers would rush to the food stores so that they could buy before prices rose. Those in the back of the long lines might pay twice as much for bread due to the quickly rising inflation. Government

employees, taking care of themselves, arranged to have their salaries pre-paid so they could buy goods ahead of the weekly inflationary surges.

It was into this void of government debt-fueled hyperinflation that an out-of-work, World War I, Austrianborn Wehrmacht corporal stepped. His assignment for the blame for all of Germany's many problems was easily placed on the wealthy, the capitalists and the Jews. He promised a greater Germany with an undefined vision of hope and change.

A desperate and depressed German people took his message hook, line and sinker and the rest is history. But could it happen here?

In 2018, our annual budget deficit was \$779 billion in spite of record tax revenue collections. That represented a 17% increase in the annual deficit. The Congressional Budget Office projects that the U. S. government will spend \$7 trillion in interest payments alone over the next 10 years. The CBO also projects that the average income will decline by \$5,000 over the next 30 years based on the current debt trajectory. One half of our national debt is owned by foreign countries. Medicare and Social Security are both in jeopardy. The problem gets worse by the day as neither major political party seems to recognize the serious nature of the problem.

Both Republicans and Democrats are thrashing about looking for ways to politically exploit the problem. Our last president rode to power with undefined promises of hope and change and the debt piled up. Our current president rode to power with a mantra of making America great again and the debt keeps piling up. The Democrats target the productive class and seek to take from the wealthy and give to the poor. The Republicans have focused on an immigration problem, giving its disaffected supporters someone to blame.

In Russia, wealth came to be recognized as anyone who owned one cow. In Nazi Germany, having a group to blame eventually turned into a holocaust.

Our present uninterrupted course of government borrowing and spending at all levels will eventually result in sky high interest rates, astronomical inflation rates, stagnant economic growth, lower wages and a much lower

> standard of living for everyone. It will happen. I guarantee it. The only unknown is when the economic Armageddon will occur.

Frankly, it is the unknown nature of the timing of our future economic disaster that prevents our elected officials from dealing with the problem. The next election always comes before the expected day of reckoning. The path of least resistance is where the political waters flow. Easy fixes and glib responses to a potentially catastrophic prob-

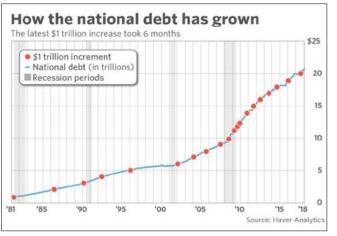
lem seem to be all we can get out of our elected officials. I'm sure that most of our current elected representatives believe that the day of reckoning will come long after they are gone from office or this world. They may be right, but what does that say about us?

My parents were part of the "Greatest Generation." They weathered the storm of the Great Depression, they fought and died for our freedoms in World War II and they built the United States into a global economic powerhouse with their ingenuity, sweat and dedication.

Unfortunately, their son may go down in history as being part of the worst generation. We were born into a peaceful time, raised without knowing deprivation, indulged ourselves at every turn and we never, ever, denied ourselves anything that we wanted. We spent our birthrights and now we are engaged in spending our grandchildren's futures. Our selfishness puts all that we hold dear at risk.

History has taught us nothing if it has not taught us to beware the man on the white horse. \clubsuit

Dunn is the former 4th CD and Howard County Republican Party chairman.



Donnelly, from page 1

would crest one million votes. He raised far more money than any Hoosier Democrat ever had. He led among early voters.

In a back corner of Rohr's tavern in Notre Dame's Morris Inn on Monday, Donnelly sat down with Howey Politics Indiana to deconstruct the end of his Senate career, at least for the time being. He had just concluded teaching a class and seemed buoyant. He appeared to have lost weight and enjoyed a steady stream of well-wishers who stopped to say hello. This was a rare Hoosier senator who has returned home to live. As we spent 90 minutes wading through the epic 2018 election, the tone was not bitter, even though irony repeatedly nipped the conversation.

"If we get over a million votes ... a million wins this year 99 times out of 100," Donnelly said at one point. "And we got 1,023,000. But it wasn't enough this year."

Why?

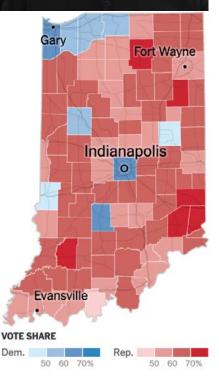
The answer is just two names long: Donald Trump. He is a political phenomenon in Indiana. Hoosiers have witnessed star-struck campaigns from the likes of Robert F. Kennedy and Barack Obama in past eras, but you

would have to go back to D.C. Stephenson in the 1920s to find a political movement that is this sprawling and effective, this loyal to a politician or political boss.

With Democrats poised to regain the U.S. House which would then go on the scandal investigation frenzy we witness today, with "impeachment" invading the lexicon (though not much in his race with Mike Braun) President Trump decided to invest in Indiana. He had a half-dozen trips here, conducting MAGA rallies from Elkhart to Evansville, with Fort Wayne and Southport thrown in for good measure. Trump knew he would need every Republican Senate vote possible to forestall a potential political disaster. As it was in the 2016 primaries, Indiana became Ground Zero. And for a second consecutive election cycle, Trump pulled off freakish results, denying a Donnelly campaign hitting on all cylinders, bringing the same fate of defeat suffered by John Gregg and Evan Bayh two years prior.

"Donald Trump helped drive the turnout," Donnelly said matter-of-factly. "His function was coming here and holding rally, after rally, after rally and telling folks if you don't vote, you're betraying me. That's basically what he was saying.

"People in Washington kept saying, 'Why is he going out there so much?' I knew why. I was just hoping



he would stop coming back," Donnelly said with a laugh. "That he wouldn't come a third, and a fourth, and a fifth, and a sixth time."

Braun pulled off a 51-45.1% upset over Donnelly, 1,158,000 to 1,023,553 votes. He carried 84 counties. In rural counties where Donnelly and his staff had invested so much time and energy, Braun carried between 65 to 75% of the vote. When the Crane Naval Base announced 400 jobs in September, and after Donnelly had helped secure an end to E-15 ethanol restrictions that corn-belt farmers dreamed of, he got smoked. In the Crane area counties, Braun received 64% in Owen, 65% in Greene, 69% in Martin, 66% in Clay, and 62% in Knox.

In the first of a two-part interview, Donnelly walked through a tough 2018 race in the home state of Vice President Mike Pence that Donald Trump had carried by 19% two years earlier. He had assured Senate Democratic leadership that he would handle the nuts and bolts of fundraising, GOTV and the debates. All they had to do was get out of the way. Instead, Donnelly faced a Capitol Hill-induced Brett Kavanaugh backlash, rebounded, and then would find Hoosier nativist paranoia stoked by President Trump's caravan.

> Swirling around this epic election was some \$70 million in "dark money" that aimed to tear his political flesh and soul. Donnelly believes one billionaire invested \$20 million in Indiana, which he says is deemed a "cheap state" for the one-percenters looking for tax breaks.

Here is the first of HPI's two-part interview with Joe Donnelly:

HPI: One thing I remember when Sen. Lugar lost his race, you noted he never really got out of the low 40s in the polls. You were pretty much in that same zone, though I thought you had a chance of winning what I predicted would be a \$100 million race.

Donnelly: We thought on Election Night when the polls closed that we were going to win.

HPI: No kidding.

Donnelly: So, this was not something we knew two weeks before. Some of the last polls, along with our polls, had us in a dead heat. You saw some of the national polls had us up 3%.

HPI: That late Fox News Poll had you up by 7%. FiveThirtyEight gave you about a 70% chance of winning.

Donnelly: The numbers were pretty solid. This was a function of turnout in large measure. The way you look at this, we basically had presidential turnout levels, or close to it. If you look at past midterms, and you go back decades, no



HPD HOWEY

Democrat had never gotten close to the number I got. But in this year, while that number blew every other number away, it wasn't enough. We had worked for years on win models and data analysis and all of those things. If you looked at turnout in 2014, which was a down year, statewide turnout was 30%. But you looked at 2010, it was 41%. If you looked at 2006, it was 40 or 41%. We had 51%. That's why Donald Trump was here six times in the last two months and three times in the last 10 days, to



drive turnout. Because they knew if they didn't get the turnout, we were going to get our number and the question was would they get theirs.

HPI: Republican Chairman Kyle Hupfer had told me on several occasions in 2018 that the GOP had superior data and turnout mechanisms and strategies in place. He thought Republicans had a significant lead in that. Is he correct? **Donnelly:** He couldn't be more wrong. **HPI:** OK, walk me through that from your perspective.

Donnelly: If you looked at the early vote, it went our way. Look at Marion County, it went our way. It was pretty clear we were doing very well in the early vote. We had to do well in the early vote. It was my belief, that while they had a great program too, we had a winning number. If we get over a million ... a million wins this year 99 times out of 100. And we got 1,023,000. But it wasn't enough this year. Donald Trump helped drive the turnout. His function was coming here and holding rally, after rally, after really and telling folks if you don't vote,

you're betraying me. That's basically what he was saying. People in Washington kept saying, "Why is he going out there so much?" I knew why. I was hoping he would just stop coming back, that he wouldn't come a third, and a fourth, and a fifth, and a sixth time.

HPI: By those last two weeks, when it was announced he was coming three times ...

Donnelly: I know why.



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HPI: Did you get that Rex Early "wuh-oh" kind of feeling?

Donnelly: No, I never did. I never run a race that way. The things I can control, I try to control. There are things I can't control. I had extraordinary people in Peter Hanscom and the whole team, who did amazing work. We exceeded every target we had. But on a day if you have on that Democrat side – if you fill up those towels with everything you've got and squeeze everything out, and then the Republicans have everything they've got and squeeze everything out – at the end of the day, it's still Indiana.

HPI: So, this is two election cycles in a row when Donald Trump, a Manhattan billionaire, a former Democrat, comes in, he is speaking to a lot of people here. We've seen other political leaders who really swayed one party or the other: Robert F. Kennedy in 1968, Barack Obama in 2008, who really captured people's imaginations unlike any other of their generation. So did President Reagan. With Trump, there's something about him in this state that I told Mayor Goodnight last week, maybe we haven't seen

since D.C. Stephenson, who led a movement that elected a governor, large General Assembly majorities and across cities and counties throughout the state. I am not comparing Donald Trump to the Ku Klux Klan, but focusing just on the scope of a political movement, the loyalty it inspires, and how far and wide it reached.

Donnelly: There's a real connection with this state and Donald Trump.

HPI: It's not Mike Pence, either. Mike Pence could draw a crowd of 1,500 and Donald Trump would

draw 15,000 or 25,000. Have you ever seen a political personality that connects with people like Trump has?

Donnelly: No.

HPI: When I went and talked with the Soybean Alliance and Corngrowers ...

Donnelly: As did I. I spent 12 years on the Ag committees ...

HPI: Their leaders told me 85% of this room is for President Trump. I was asking them things like, does the president have an end game on the tariffs? And they were saying that if he does, White House and Commerce officials couldn't describe it. And that room was solidly for Donald Trump, even with all the uncertainty following a record harvest and planning for the 2019 growing season. Despite the tariffs, they were resolute.

Donnelly: That's why they had him come six times in the last months.

HPI: How does a Manhattan billionaire who can't tell the truth, who pulls farmers and manufacturers

through a volatile tariff environment, keep their confidence? What do you think it is?

Donnelly: I served on the Ag committees for almost 12 years. I visited farm, after farm, after farm and some of my best friends in the state belong to the farm community. They are extraordinarily wonderful people and they believe that Donald Trump has their interest.

HPI: It reminds me of your 2010 Chrysler plantgate story, coming after you pressed President Obama to save the domestic auto industry and that UAW guy told you, "I love ya, Joe. I'm not voting for ya, but I love ya." This is the second time in your career you've been confronted with this type of dynamic. This is emotion, right? We're talking emotion here.

Donnelly: There's a connection to Donald Trump that they feel he cares about them. They also agree I care about them, as well. I got over a million votes. Look, I got the most extraordinarily kind thank you's after the election, saying, "What are we going to do without you" and "We're going to miss you." I really care about them, too.

HPI: I thought the toughest matchup for you was going to be Mike Braun. I thought you would have had an easier race against either Todd Rokita or Luke Messer. Braun tagged them as the "twins" and that's how he won that primary. Was that your take?

Donnelly: It was pretty much that way. But the matchup – and this is in no way meant to be disrespectful to Mr. Braun – the matchup was with Donald Trump. That's what the matchup was. When the matchup was between the two of us, we were in spectacular shape.

HPI: I thought you held your own during the debates, you were aggressive ...

Donnelly: Sometimes I'd look over at him and go, "C'mon, you gotta at least try." Again, not to be disrespectful, but the nature of something like that, I have such respect for the people of Indiana and I lived almost every question over 12 years and then I spent hours upon hours going over everything. The people of Indiana deserved to have me be informed, answer questions and be ready to



go. I thought the debates went really, really well.

HPI: I thought the Brett Kavanaugh confirmation sequence was a determinative one that may have decided this race. It gave Trump more reasons to come here. It certainly ignited the Republican base. Walk me through what happened in September and October.

Donnelly: When I first heard about Justice Kennedy retiring, I was on a telephone call with our ag reporters around the state. We were talking about corn and bean prices and one of the reporters said, "Do you have time for one more question?" and I said, "Sure." "How do you feel about Justice Kennedy retiring?" It was like I got hit in the head with a baseball bat. I had been watching that like a hawk, because the way the Supreme Court operates, there's a time when you really can't resign after that point in the year, there are things you have to do to get ready for the next cycle. He had already hired clerks. By that time, you're really in so deep you can't leave. So,

this was the final week when he could possibly consider; this was the end of the final week. I know how emotional Supreme Court nominations are. With Justice Gorsuch, I got screamed at by one side leading up to the vote, then I voted 'yes' and I got screamed at after the vote by the other side. I said, "Wow, this is always trouble." When I heard that, I knew it was coming. This wasn't by accident. We prepared for whoever the candidate might be. When I met with Judge Kavanaugh in my office, he seemed very reasonable. My philosophy on judges has always been (that) elections have consequences. A president is entitled to his or her pick, up to a point. If they are extreme on either side or have qualities that would make you question it, there's always a chance to get somebody else.

HPI: Did you and Peter and the campaign wargame this out, how it might go? How do you prepare politically for that?

Donnelly: The first thing you do is I have a job before I have political considerations. The job is what's best for the country, because this is a lifetime appointment.

HPI: Was the way you handled Kavanaugh was consistent with how you handled Justice Gorsuch?

Donnelly: A 100%. My initial impressions were favorable, to the point where Democratic groups were demanding I come out against him and I said, "I'm not going to do that. I've seen no reason to," and they were furious. I said, "My job is to be a senator first." I'd not seen anything up to that point not to.

HPI: So, this is mid-September when we hear about the allegations of Dr. Christine Blasey Ford come up. The reaction from many Hoosiers I heard was skepticism about something that happened at a drunken high school party 35 years ago and how can you prove a he said/she said with no corroborating witnesses and verifiable forensics.

Donnelly: I understand that. If you look at his

testimony, he clearly did not tell the truth on a number of things. That's concerning for a Supreme Court justice. No. 2, the concern I had with a Supreme Court justice with Gorsuch and Kavanaugh is a three-part test: The president gets his pick, if it's not extreme; no litmus test. People were screaming at me over the choice issue both ways on both justices. I don't have a litmus test. No. 3 is temperament. Clearly, on temperament he struggled. There was screaming and yelling at a Senate hearing. And there's impartiality. My bar was not hard to clear. He had abandoned the impartiality a justice is supposed to have, he abandoned the temperament that a justice is supposed to have. He said things at the hearing that were not true, verifiably not true. And those are all red flags. This is a lifetime appointment. I said, "How do you appoint somebody who is showing all of these qualities?"

HPI: So, there was that sequence on a Friday morning when you said you would oppose Judge Kavana-



ugh, then Sen. Flake was cornered in an elevator by sexual assault victims, and then there was that brief FBI probe that lasted just a few days.

Donnelly: I said, "I have real questions about what happened here." And, I said if we don't get some answers, I'm voting against. Then Sen. Flake is cornered in the elevator, and the FBI provided no additional information.

HPI: I wrote at the time that you may have jumped the gun on that Friday morning decision on voting against confirmation, before the FBI investigated.

Donnelly: I was completely comfortable with that. We did everything we could do to come up with the right decision. We worked with our staff and if I had to vote again today, I would vote the same way, based on the things that were put before me. It was not a political vote. That is my job. You know that's how I handle my job. That's how I handled health care. I wanted to extend health care to more Americans. There were a lot of untruths being said. In Indiana, the much safer vote was against health care, but I also have a job to do for my state.

HPI: You won two elections after that Obamacare vote, and you didn't lose this one because of that. So after the Kavanaugh confirmation, you're seeing your polling ...

Donnelly: There was erosion. It wasn't about the vote. The erosion wasn't about the vote, the erosion was about the spectacle. Remember this: Joe Manchin came out and said "I am voting for Judge Kavanaugh." He was ahead in the polls by 12% before the Kavanaugh situation. He voted for Kavanaugh and led by 2%. He dropped 10%. Phil Bredesen in Tennessee was up by 6%, and lost by 10%. He said, "I support Justice Kavanaugh." It wasn't so much the vote, it was about this whole mess – horrible how the Democratic committee and the operations of the committee made it worse.

HPI: So, when Sen. Dianne Feinstein comes up with this, did you go to her and Sen. Schumer and say, "Where are you going with this?"

Donnelly: About 117 times (laughs). What are we doing here? It was my feeling and the feeling of many

voted for (Kavanaugh) like Manchin or against (him) like me, we all got clobbered by it. The point I was making, I can run a perfect race, but if you mess it up back here, I can't do that.

HPI: So, you saw your polling numbers decline after the Kavanaugh hearings and votes, as did those of Sens. Manchin, McCaskill, and Heitkamp, but yours bounced back. And then came the "caravan."

Donnelly: That had the president come back six times in the last two months – three times in the last 10 days – and that subject was front and center of everything he did in Indiana. By the way, I'm the most bipartisan senator in the last 25 years according to the Lugar Center. I had put together the last immigration agreement with other senators that the president had agreed to, before later that night when his staff sat him down and told him that wouldn't help him, so he changed his mind. I had been on the frontlines of immigration with the president telling us, "Put something together and I'm in." We did and he was, until he wasn't. This is a subject that I supported

others. This note was received by the committee three months prior and the person said, "I'd like to keep it private." But, the U.S. Senate is not the confessional. It had been my belief from the start that this letter should have been turned over to Sen. Grasslev (who heads the Judiciary Committee). Then it's his. He can deal with it and make the right decisions. But, that's not how it was handled. I think we



worked like dogs during this campaign, almost non-stop, and I told folks in leadership, "I will do everything I can to run a perfect campaign, turnout, and hitting our numbers and raising the money, going to all 92 counties, making sure the debates turn out really well and attend every forum I can be at. I can do all those things, but the one thing I can't survive is if you screw it up back here."

> **HPI:** And they did. **Donnelly:** And they did. **HPI:** Wow.

Donnelly: And they did. This is a couple-part process. The things I don't control, I don't control. I don't control how the turnout goes on the other side. They really turned out their vote. But, we did too.

HPI: But, it was the Kavanaugh vote or spectacle that really energized their base. <u>Sen. Braun and his campaign manager, Josh Kelley,</u> told me that in the hours after the hearings, their money spiked, volunteers came out of the woodwork. It hyper-energized things for the Republicans.

Donnelly: It spiked the intensity. Whether you

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to get this solved, but the caravan was clearly an effort to create another crisis.

HPI: Which continues to this day.

Donnelly: If you notice it's mentioned and its discussion was white hot, up until Election Day, and then the next day it wasn't even mentioned on Fox. This was created for Election Day, and it was still 1,300 miles away. I knew it was never going to be a problem for us. I explained that to the people of our state, "Look, this is not a problem you're going

to have to deal with. I promise you." But the president was telling them they were going to show up in Logansport and Terre Haute and Lawrenceburg and everywhere else around the state, so people were concerned.

HPI: So that played a role in your defeat. **Donnelly:** In combination with the Kavanaugh

event and the caravan. **HPI:** President Trump is the master of diversion. **Donnelly:** He is. He was extraordinary, for sure. I worked with him on a lot of things. We did 'Right to Try' together, maybe his biggest legislative success.

HPI: He gave you a little shout out.

Donnelly: When this was being put together with Ron Johnson and myself, we didn't have near the votes to get this done. I went one by one and got Democratic votes to the point where the vote in the Senate was 100-0. We did the work, worked with the president to get this done. That's how I approached the job. But you know, that's not the what the discussion was during the election.

HPI: I watched your farewell address on the Senate floor in December and you warned of the "dark

money" invading the process. A year before this election, I looked at the \$53 million spent in your race in 2012 with Sen. Lugar and Richard Mourdock; and \$75 million in 2016 among Sen. Young, Evan Bayh, Marlin Stutzman, Eric Holcomb, and Baron Hill, and predicted the \$100 million Senate race. It came in at \$110 million.

Donnelly: You were right (laughs).

HPI: So, there is so much money spilling in beyond the purview of the public. In your race, there was 70% of the funds beyond the control of the two majorparty campaigns.

Donnelly: The dark money is ... they don't traffic in truth most of the time. Their only goal is to destroy. They see Indiana as a cheap state. Even though

it was \$110 million, they see Indiana is a cheap state to get whatever they want. Different groups have different desires. They aren't investing in this candidate with this view or that candidate; they are looking and going, "If I do this, I'll maybe get a break on my taxes." There are folks who invested a couple hundred-million who ended up with billions of dollars in tax cuts. So if you're playing the market, this return is much higher than anything you put in a stock. You put in a couple hundred-million and you walk away with billions of dollars of personal tax cuts.

HPI: I got into an argument with Chris Chocola in 2012 when Club For Growth was supporting Mourdock and he told me all the donors were there to be found, but I went through the FEC reports and you couldn't figure out the source of all this bundled money.

Donnelly: You can't. Most all of it is hidden and secret and you have no idea. And millions, and millions, and millions of dollars come from one person. We had someone who, it was estimated, who put money into the Indiana Senate race – \$20 million. From one person. All of it was hidden. They washed it through three or four sources.

HPI: Talk to Joe Sixpack and Mrs. Mainstreet out there about why this is a damaging dynamic.

Donnelly: Because the person who put \$20 million into this race, their agenda is not yours.

POLITICS INDIANA

Indiana Senate race drew \$110 million

\$70 million in outside funds spilled in; Donnelly decries influx of 'dark money'

By BRIAN A. HOWEY INDIANAPOLIS - In 2017, Howey would see Politics In



Or this amount nearly 320 million came from outside groups, more than doubling what such groups spent in Indiana's 2012 U.S. Senate race when Democrat Joe Dennelly defeated Republican Richard Moundock. Essentially, the Indiana Senate race was engulfed and influenced by groups located outside the state. This taily comes as U.S. Sen. Joe Donnely used his tarewell speech in the Senate on Tuesday to decry the gush money

ngly fund

Blue wave passes Indiana By CHRIS SAUTTER

BY CHRIS SAUTTER WASHINGTON – Nationally, Democrats flipped 40 seats in the U.S. House of Representatives, the largest for the party since the 1974 post-Watergate election. The



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"If we don't get what we want, one way or the other, whether it's through you, through military, through anything you want to call, I will shut down the government. I will take the mantle, I will be the one to shut it down." - President Trump

HPI: So, one person pumped \$20 million into the Indiana Senate race.

Donnelly: It very much appears that way.

HPI: Do you know who this person is?

> Donnelly: I do. HPI: Can you tell me? Donnelly: No. HPI: Was it the Kochs? Donnelly: (laughs) You'll

go through eight names. The agenda of these folks isn't "How do I make life better for the family on the west side of Indy who is looking for a job after Carrier closed." Or that the auto plant stays open, or that we get pre-K in Indiana. Their agenda is getting more money for themselves or policy changes that benefit them.

HPI: What does the future hold? Are we going to see a \$200 million race in 2022?

Donnelly: Indiana is considered a cheap state to play in.

For them it's just playing cards. They put a couple in this one, a couple in this one, a couple in this one and they hit on one or two. We are simply an instrument for them to get what they want when it's our Senate seat. Our Senate seat should be for the people of Indiana to decide. To create more opportunities. Have a chance to lower prescription costs, have a chance to have legislation that makes student loans more affordable. That's not their agenda.

HPI: Is there no appetite to change the laws in this post-Citizens United world?

Candidate –	Party –	Total receipts T	Total disbursements [—]	Cash on hand
BRAUN, MIKE	REPUBLICAN PARTY	\$19,454,007.16	\$19,436,255.29	\$17,749.83
• DONNELLY, JOSEPH S	DEMOCRATIC PARTY	\$17,243,997.17	\$17,041,271.82	\$297,160.52
Candidate	0 Supported 0	Opposed 🗘	All 2018 Total (Supported and Opposed)	
Donnelly, Joe (D)	\$8,591,309	\$24,688,733	\$36,517,307	
Braun, Mike (R)	\$3,452,000	\$29,751,718	\$33,203,718	
Rokita, Todd (R)	\$17,500	\$226,120	\$243,620	
Messer, Luke (R)	\$0	\$18,361	\$18,361	





Sen. Donnelly with Defense Sec. Ashton Carter during a tour of the Crane Naval Warfare Center.

Donnelly: There's a huge appetite by some people. But by others there isn't. Mitch McConnell is deadset against anything relating to campaign finance reform. That won't happen under Mitch McConnell.

HPI: I knew that Republicans controlled most rural counties at the courthouses. But when the numbers were pulled, Republicans control 89% of county commissioner seats, and 80% of county offices. That is a base collapse for Indiana Democrats. Robin Winston told me that when Gov. O'Bannon showed up in Jennings or Ripley County, there would always be a local Democrat official to greet him. Now there are maybe 60 counties with no Democrat officials, except for a township trustee or dog catcher.

Donnelly: I went to 92 counties every single year and sometimes there was no Democrat in the courthouse. But, I would walk through the courthouse anyway and say hello to people.

HPI: What does that mean? I've been saying we're on the verge of becoming a one-party state, with Republican super majorities in the General Assembly, only two of 11 congressional seats and Gov. Holcomb sitting on \$4 million two years ahead of his reelection, and a collapse of the Democratic Party at the local level. Then you ran as

an ardent advocate for agriculture and you got routed in most farm counties.

Donnelly: In a lot of those counties, we did more economic development work, spent more time than in the counties that I won. The work that was done at Crane was almost non-stop because I was the ranking member of the subcommittee that was basically in charge of what Crane does. I brought the secretary of Defense down there, the chief of Naval Operations, the general who leads the Air Force. It was like a parade where every couple of months somebody was coming up. Around September or so, Crane announced it was adding 400 more jobs this year. It's been one of the finest runs that Crane has ever had. And I lost all the counties around there (laughs). When you look at the most important economic driver, it's Crane. At the end of the day, Donald Trump told them on a cultural basis, "You have to be with me. If you're not with me, you're betraying me."

HPI: This is almost like Thomas Franks' book "What's The Matter with Kansas" where the premise was that people will vote against their own economic interests and more on cultural reasons. It's happening here.

Donnelly: I'm not going to comment on that, but I will tell you in a lot of those counties where we weren't successful, we did more economic work and spent more time there than anybody ever did. I could tell you where every gas station was and who had the best chicken. \Leftrightarrow

Next week, HPI Interview Part II with Sen. Donnelly on his congressional career, along with his future and that of the Indiana Democratic Party.

CONTENT BY CARTER strategic content creation and deployment

Don't count Buttigieg out, but can he win in red states?

By MARK SCHOEFF JR.

WASHINGTON — As the Democratic presidential field starts to form, the easiest thing to do is count out South Bend Mayor Pete Buttigieg.

Even though we're at a moment of peak volatility



in American politics, it's hard to imagine that a 37-year-old, openly gay man who is married to another man can achieve something that's never been accomplished – going directly from city hall to the White House.

But before dismissing Buttigieg as a novelty who will never break single digits in the polls – if he can even make it to that lofty level – consider what he uniquely offers to a party that was stunned

to lose the Oval Office to Donald J. Trump a little more than two years ago.

Those traits were on display last Sunday in Washington at the bookstore Politics and Prose, where Buttigieg introduced his new book, "Shortest Way Home," which chronicles what he's learned as the chief executive of a midwestern city whose turnaround he helped engineer.

Youthful idealism. Buttigieg's relative inexperience

can be an asset. He's not been involved in the gritty politics of Congress, where compromising your ideals is often necessary to maintain your grip on power or your access to campaign funds.

Buttigieg can rightfully claim he is not a career politician. In fact, at his age, he's not had a long career doing anything. He brings to the race private sector experience at a consulting firm and a military background that includes service in Afghanistan.

He also can tackle big questions,

such as the "freedom, democracy and security" pillars of his campaign, with youthful brio.

"What responsibility do we have to our future selves?" he said during his Washington appearance.

Intelligence. During a time in politics when connecting with the common person often results in a race to the rhetorical bottom, Buttigieg can make it cool again to be smart. Like former President Barack Obama, the former Rhodes scholar is effortlessly erudite.

During his Politics and Prose appearance, Buttigieg



referred to competing philosophies – utilitarianism and the idealism of Immanuel Kant – to describe the challenges of allocating city services. He used the economic concept of the Pareto principle to discuss how to make many people better off while limiting the number who become worse off.

Yes, listening to Buttigieg may require consulting a dictionary or Googling economic and philosophical concepts. But it's a nice change of pace when a politician makes the electorate think rather than insults its intelligence with crude Twitter rants.

Rhetorical skill. Buttigieg is not a programmed politician who resorts to talking points regardless of the questions he's asked by the media or voters. Instead, he responds thoughtfully.

For instance, he supports a single-payer health care system. But rather than rely on shopworn liberal arguments for such an approach, he turns the tables on conservative criticism by using a word that conservatives often deploy, "freedom."

Buttigieg says Democrats need to win the battle of ideas before they can prevail on specific policies. He uses health care to illustrate his point.

Speaking before about 500 people at the Politics and Prose event, Buttigieg said he supports Medicare for all. He argued that if people have confidence that they will always have health care coverage, they will be more emboldened to take risks, such as leaving their jobs to start a new company.

"I believe Medicare for all enhances freedom," Buttigieg said. "We need to have a wider idea of what freedom means."

Authenticity. Buttigieg embodies one of his goals in entering the race – making the American political land-

scape more inclusive. He's starting to do that through his own example.

Even in Democratic South Bend,

it was a political risk to come out as a homosexual. He made the decision while thinking through what he wanted out of life while he was risking his in Afghanistan.

"I wanted to have a personal life," Buttigieg said. "You only get one life. You only get to be one person."

He wants to make more Americans feel as if they have a place in the country's political landscape.

"Politics is about how people feel about themselves," he said.

Winning in red states. The biggest challenge Buttigieg faces is electability. His critics will question how he can take Democrats to victory nationally when he would be hard pressed to win his own state – and maybe even his own congressional district – in a presidential race.

Unlike Texas Rep. Beto O'Rourke, who mounted a serious challenge to a Republican senator in a red state,

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Buttigieg has shied away from taking his brand of politics statewide in Indiana.

Nonetheless, he's confident. "We're living in a moment that's calling for newcomers and...underdogs," he said. 🔹

Schoeff is HPI's Washington correspondent.



Buttigieg's advantage: Cities and his age

By BRIAN A. HOWEY

SOUTH BEND — Howey Politics Indiana journeyed to South Bend for our Page 1 interview with Sen. Joe Donnelly, and took a quick tour of the city. Like other so-called "Rust Belt" cities in Indiana, including Mayor Tom Henry's Fort Wayne and Lloyd Winnecke's Evansville, the



curb appeal of South Bend doesn't meet the denigrating term so often used to describe the "fly-over Midwest."

South Bend does have an air of transformation. South of downtown there are 19th and

20th century buildings being razed. Downtown appeared vibrant, and the city looks great the closer you get to the Notre Dame campus. As we mentioned last week, the more traction the Buttigieg presidential effort gets, the more attention South Bend will receive.

The fascinating aspect of Mayor Pete's run is that it accentuates the roles of progressive mayors like Henry, Winnecke, and Kokomo's Greg Goodnight. All have played key roles in revamping their downtowns. The contrast is with Washington, with freshman U.S. Sen. Mike Braun telling a crowd in Fort Wayne, "If you want to look at the federal government to help whatever your interest is, I think it's a false hope. Because the place, until it finds a way to start lowering its deficits and living within its means, it's not going to be able to do any of that stuff that we've become used to. I don't want to be a wet blanket. But when it comes to the federal government, they've got so many issues that people look for them to do, and they couldn't be in a least capable place currently, if you're honest, to do it."

It's the cities where a talented mayor can be transformative. In Henry and Winnecke's case, their approach is bipartisan because their city councils are stocked with the loyal opposition. Buttigieg's South Bend is still a Democratic city.

When folks asked me last year who I think might emerge from the Democrats to take on President Trump, I mentioned the mayors past and present, which would include Buttigieg, Eric Garcetti of Los Angeles, Michael Bloomberg from New York, Mitch Landrieu from New Orleans, Sen. Cory Booker (who ran Newark, NJ), and John Hickenlooper, who ran Denver before his stint as Colorado governor. With the exception of Booker, all make a vivid contrast with the sclerosis of Washington.

In a <u>New York Magazine</u> profile, Buttigieg's role as mayor was featured with South Bend as an appealing backdrop: "He's just taken us on a tour of the city that included a stop for tacos in the back of a grocery store and another at his house down the street from where his mother still lives. The day before, he'd both livestreamed himself filling a pothole and monitored Donald Trump's State of the Union address."

Buttigieg explained: "What's nice is you don't have to think yourself into too complicated a place. Because, as a general rule, do a good job and conduct yourself well, and that will be the thing that's most likely to help you win, and the thing that's most likely to help you not regret that you ran, if you don't win."

Buttigieg may be morphing from his initial novelty act station to that of credible contender. This is not this writer's "homer" instinct. Other political writers like Importantville's Adam Wren and <u>Matt Bai of Yahoo News</u> are reaching this conclusion, as well.

Bai wrote this week that Buttigieg is eluding "iden-

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tity politics" that could hamstring rivals like the cast of senators. "...you have the unlikely candidacy of 37-yearold Pete Buttigieg, who would rather talk about his record as the two-term mayor of South Bend, Ind., or about his résumé as a Rhodes scholar and a combat veteran, than about his identity as the first openly gay man to seek the Democratic nomination. At a moment when other candidates are talking endlessly about the historical resonance of their candidacies, Buttigieg seems bent on relegating his to a subtext. Which makes his campaign intriguing — and, if you ask me, underestimated."

Bai continues: "Buttigieg had no interest in becoming known as 'the gay mayor in Indiana,' or in transforming himself into a spokesman for the cause. He wanted to be the rising Democratic star who, by the way, happened also to be gay. It wouldn't surprise me if Buttigieg did a lot better in the coming campaign than people think, outperforming some of the candidates who are more widely considered now to be in the party's top tier. Buttigieg understood, even then, that the time was coming when being gay wouldn't be any different from being Catholic or being black in each of those moments. Some people might hold identity against you, sure, but even more of them would admire you for pushing past it and focusing on commonalities instead. Now Buttigieg is holding firm to that ideal, even if the moment has come back around to a place where it might seem more advantageous, in a Democratic primary, to lead with his own sense of alienation from the power structure. He leads, instead, with his experience as mayor."

Then there's the age component. The <u>Atlantic's</u> <u>David Graham</u> surveyed the entire Democratic field of those filed or pending and observed of Mayor Pete: "Buttigieg's sell is all about generation. He's a Millennial, and thinks that his cohort faces new and unusual pressures and dilemmas that he is singularly equipped to answer. Plus, it's a useful way to differentiate himself from the blue-haired bigwigs in the blue party. Buttigieg isn't really popping up in polls at this point, but he has the support of some Obama alumni. He hopes to reach midwestern voters who deserted the Democrats in 2016." He also noted that Buttigieg is Maltese for "lord of poultry."

So beyond the attribute of mayor, Buttigieg's other ace is his age of a spring chicken, 37. Axios notes: Sen. Warren is 69, Sen. Sanders is 77, Joe Biden is 76, Speaker Pelosi is 78, and House Majority Leader Steny Hoyer, is 79. Why does this matter: Despite that lineup, today's Democratic Party is actually dominated by youthful energy.

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And there's this historic nugget: President Kennedy was 43 when inaugurated, President Clinton was 46, President Obama was 47, FDR was 51, President Carter was 52 and LBJ was 55. The average age of every previous Democratic president in history on Inauguration Day is 52. Since 1828, only three Democratic presidents have been in their 60s when inaugurated.

Buttigieg has competition in the youth category: Sens. Cory Booker is 49, Kirsten Gillibrand 52, Kamala Harris 54 and Amy Klobuchar 58, Rep. Tulsi Gabbard 37, Julián Castro 44 and Beto O'Rourke 46. The contrast: President Trump was 70 years old when elected, the oldest ever.

In his first foray to New Hampshire last Saturday, Buttigieg spoke to more than 100 people crammed into a meeting space about the size of a generous suburban living room. The mayor stressed his youthful appeal with the Boston Globe reporting that he "leaned into his identity as a millennial American, pointing out that his generation will be living with the consequences of the government's actions for far longer than the generation that today holds much of the power." Buttigieg explained, "I think a lot about how the world's going to look in 2054 — that's when I get to the current age of the current president, God willing," he said. "And I'm afraid that a lot of decisions have been made right now in Washington as though the question of what our country will look like then is somebody else's problem."

Buttigieg coming to Indy Sunday

The presidential campaign arrives in Indianapolis on Sunday. That's when South Bend Mayor Pete Buttigieg brings his book tour to IUPUI for a 2 p.m. signing and question-and-answer period at Hine Hall. Be advised to bring \$30, but for that price you'll get the mayor's book "The Shortest Way Home." Buttigieg will discuss his new book at a free public event at 6:30 p.m. Wednesday March 13, at the St. Joseph County Public Library, 304 S. Main St. in South Bend.

John Pence speaks in Vigo County

An hour before the event started folks were lined up outside of MCL banquet hall. All to get a chance to rub

elbows with local, state and national leaders (My Wabash Valley). Vice President Mike Pence's nephew John Pence is a senior adviser for President Trump's 2020 reelection campaign. He was the keynote speaker at Vigo County's Annual GOP Lincoln Dinner. "I think a lot of the town. It's really the heart and soul of America," Pence said. "I'm a Hoosier myself so being here in Terre Haute and just being back home means a lot." Those in



attendance included the state's treasurer, auditor, secre-

tary of state and attorney general. Pence tried to inspire the crowd to get behind President Trump and his uncle. "The main thing is I want people to get involved," Pence said. "I want people to work towards a winning message in 2020, to help President Trump and Vice President Pence get elected." Many in the room want the president's agenda to continue beyond 2020, and they understand Vigo County's history as a bellwether county. "The county is well known for that around the country," Vigo County Republican Chairman Randall Gentry said. "So, it's very important that a presidential campaign has a good showing in Vigo County. They don't want to lose Vigo County because they could lose the enter nation."

Mayors

Indianapolis: Bell critical of Merritt

In response to an Indianapolis Star piece on State Sen. Jim Merritt's refusal to hear Senate Bill 430, Marion County Democratic Party Chair Kate Sweeney Bell called for Sen. Merritt to publicly pledge that he has not, and will not, accept campaign contributions for his mayoral campaign from Indiana utility providers or Indiana Energy Association members during session. In a Star story titled, "Indiana's solar industry has slowed way down. This bill could fix it, but lawmakers won't hear it," reporters reveal that as Utilities Committee chairman, Merritt is personally stonewalling a green energy proposal from an industry he has accepted significant campaign contributions from in the past.

Gary: 'Freeman' Wilson wins the lottery

Running in the Gary Democratic mayoral primary is incumbent Mayor Karen Freeman-Wilson. And then there's Jerry "Freeman" Wilson. NWI Times' reporter Bill Dolan writes that on the ballot lottery, JFW won the top spot, while KFW is in the middle of the pack of the nine Democrats running. "That just makes my day," the 62-year-old JF Wilson said. As for the mayor, well, she's had better days.

Kokomo: Summers' pattern of abuse

Internal documents written by top Kokomo education and law enforcement officials, both current and former, detail a pattern of alleged harassment and abuses of power committed by mayoral candidate Kevin Summers during his time as a Kokomo School Board member, city councilman and police officer (Myers, Kokomo Tribune). The documents, obtained by the Tribune through a public records request, span years and detail incidents and concerns expressed by a wide range of community leaders, including a former Kokomo High School basketball coach who once asked: "When will Kevin Summers stop?" They include a report written by a city police official alleging that Summers intentionally caused a false report with the Indiana Department of Child Services, a potential crime,

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and "used his position as a police officer to influence CPS to do an investigation." They involve a former superintendent's claims that Summers aggressively clamored for his son to get more playing time on the Kokomo High School basketball team. Why? Because he was a leading politician in the city. Summers declined to answer a list of specific questions for this story.

Peru: 3 Republicans running

Three Republican candidates have filed in Peru's primary mayoral election to fight for the chance to face off against incumbent Democratic Mayor Gabe Greer, who is unopposed and seeking his second term in office (Gerber, Kokomo Tribune). Greer announced his intention to keep his seat last month during a campaign event in which he touted his collaborative work with the city's workers and residents to push forward major projects such as Second Saturday events and building a new Miami County YMCA. "We've had so many accomplishments that sometimes when people ask me how things are going with the city, I feel overwhelmed to answer, because I don't even know where to begin," he said. Wayne Bunker ran against Greer as an independent in the municipal elections in 2015. Miles Hewitt has never sought political office, but decided to run for mayor this year after serving 38 years on the Peru Police Department. David Makin ran for Peru mayor eight years ago, and he said he's running again this year to be a political conduit for the people of Peru. "I'm trying to base my opinions on what the people want," he said. "If they're wrong, we can own that as a community. I don't think it's up to one person to come and say what they want. I don't work for me if I'm mayor. I work for the community." *

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Pitcock denies Mueller panel appearance

By BRIAN A. HOWEY

INDIANAPOLIS – Josh Pitcock, the former chief of staff to Vice President Mike Pence, tells Howey Politics Indiana that he has not been interviewed by Special Counsel Robert Mueller. Multiple sources had told HPI that Pitcock had been interviewed as was reported in the Jan. 31 edition.

Pitcock told HPI, "I have not been interviewed by the special counsel, and what you wrote about me is entirely false. It seems to me that rather than relying on unnamed sources you might have taken the very simple step of asking me. It's an easy question I would have been happy to set you straight on, as I have other reporters who have asked me in the past."

It was a rare communication from Vice President Pence's sphere, which has cut off communications with virtually all Indiana news media. Emails, texts and phone calls have not been returned since Pence joined the Republican presidential ticket in July 2016. HPI has repeatedly tried to open lines of communication with no results, until now.

Pitcock told HPI that he was a "senior advisor to the vice president-elect during the transition and was named his chief of staff."

It was the Trump transition team where several aspects of the Russian collusion investigation began, resulting in President Trump's firing of National Security Advisor Michael Flynn for lying to Vice President Pence. That set off a chain reaction after Trump pressed FBI Director James Comey to back off the Flynn investigation, culminating with Comey's dismissal in May 2017.

Pitcock resigned as Pence's chief of staff on June 29, 2017. Pitcock told HPI, "My decision to leave the White

House was personal, based on a desire to work in the private sector and have more time with my family, who frankly, I had barely seen for a year and a half. You can read quotes by the VP and me in the press release that was put out on announcement of my departure."

In that press release, Pence said, "Josh Pitcock's more than 12 years of service have played an invaluable role throughout my public career. His professionalism and integrity are unmatched and he will be missed. I will always be grateful for the foundation Josh laid in the office of the vice president and wish him every success in his future endeavors. Whatever the future holds for Josh and his family, he will remain one of my most trusted advisors and cherished friends."

Pitcock stated: "Since joining the Mike Pence team in his congressional office in 2005, it has been an enormous privilege to serve him in the House of Representatives, the governor's office, on the Trump-Pence campaign and transition, and in the White House. I will be forever grateful for the opportunities the vice president has afforded me, for the trust he has placed in me, and for the personal friendship we have developed over the years. Deciding to leave was not easy, but I believe the time is right for me to transition to the private sector. Nick (Ayers) and I have worked seamlessly together for years and will continue to do so through the transition and thereafter." Ayers became chief of staff after Pitcock resigned.

Vice President-elect Pence headed the transition team after President Trump dismissed the previous head, New Jersey Gov. Chris Christie, the day after the November 2016 election. In his book "Let Me Finish," Christie said that 30 binders of research had been discarded into "Trump Tower dumpsters."

HPI asked Pitcock if Christie's assessment that the transition team decided to discard that information was correct. "Your other questions all would require me in one way or another to speak on behalf of the VP, which I cannot," Pitcock responded. \checkmark

Civics education: An invitation to Democrats

By JAY RUCKLESHAUS

OXFORD, England – On Thursday, Jan. 24, the State Senate voted 31-17 to pass Senate Bill 132, which would make it a graduation requirement for high school



students to pass the same civics exam given to immigrants to the United States. The bill now faces consideration in the House. (Full disclosure: My dad, John, a state senator, was a cosponsor.)

Senate Democrats, in unified opposition to the bill, raised concerns that instituting another graduation requirement, without any supporting resources, wouldn't have the desired effect. Instead of more knowledgeable

citizens, the argument goes, this mandate would only encourage "teaching to the test" and erect another barrier to graduation for students in under-resourced rural and urban schools.

These concerns are valid, and they counsel against Senate Republicans' bid to require testing without any supporting provisions. However, the need to boost civics education is too important for Indiana Democrats to sit on the sidelines. With some tweaking, it's the perfect cause for Democrats to champion.

SB132 has started an important conversation. We've all heard the statistics: Only 26% of Americans can correctly identify the three branches of the U.S. government; apathy and disengagement are ubiquitous. Report after report from organizations on the left and right alike have been sounding the alarm, and as polarization has increased, it has only grown louder. Against this background, a bevy of states have turned to civics education, with 17 requiring a test and eight requiring a minimum score for graduation – all since 2015.

Republicans would like Indiana to become the ninth – but their proposal needs work. As is, SB132 won't do much to instill robust habits of citizenship; and it will hurt graduation rates, most acutely in already struggling schools.

A better policy would follow two principles. First, civics learning should be experiential as well as fact-based. The current bill would only require students to memorize answers to a set of predetermined questions about U.S. history and governmental structure. Facts are essential, but making students cram for a single test won't by itself make them more engaged citizens.

Instead, we should incorporate exercises in defining and solving community problems. Effective civ-

ics education must combine the basic understanding of government with an understanding that our own actions as citizens are the basis of that same government. There's room for flexibility here: Imagine the formative effects of having teams of students research an issue and discuss it with government officials. Knowledge without experience is impotent; experience without knowledge will be ineffective.

Second, civics must be meaningfully supported by the state. Additional resources are required, and potentially assistance with content development and skill identification – both services provided by the Colorado Department of Education, for example.

Teaching the responsibilities of democracy is a basic state duty, but also a sound investment. A citizenry that is more knowledgeable, more engaged, and more willing to stand up for the greater good will make for a better Indiana.

Democrats were right to oppose SB132's additional mandate on our schools. But now they must be proactive in proposing a better approach. Civics knowledge is simply essential, and there's a strong case from the left for better civics education.

This issue reflects a concern for the underpinnings of democracy, a concern which Democrats have embraced with gusto. Consider HR1, U.S. House Democrats' symbolic first bill, which advocates redistricting efforts, campaignfinance reform, and increased voter access. Given that recent Republican dogma points away from all those issues, the Democrats can increasingly claim to be the party of democracy. All of this is good policy, and as polls increasingly demonstrate, good politics.

But there remains room for a big push on civics education. As a recent report from the left-leaning Center for American Progress stated last year, proper civics education is necessary for students "to become informed and engaged citizens." Civics education is a natural fit.

Prominent Democrats such as Barack Obama and Pete Buttigieg have highlighted the importance of engaging my generation, not just for party, but for country. Some of the most inspiring recent political movements have been driven by our nation's youth. Look no further than the gun reform and voter registration efforts spearheaded by a small group of Florida high school students that spread across the country. Taking on civics will say to youth: "We believe you have something to add. We believe you matter."

Indiana Democrats are right to strongly support teachers and schools, but this can't stand in the way of all proposals for civics education. Instead, they should embrace the issue and propose a flexible yet demanding civics plan. All Hoosiers will benefit when they do. \Leftrightarrow

Jay Ruckelshaus is a Rhodes Scholar from Indianapolis and a graduate student in politics at the University of Oxford.

ISTA pushing for higher teacher funding

Howey Politics Indiana

INDIANAPOLIS – House Republicans are proposing a budget with modest funding increases for schools, as well as some additional dollars they say should go to educators, but advocates say it still isn't enough for meaningful boosts to teacher pay (Lindsay, <u>Indiana Public Media</u>).



ISTA President Teresa Meredith says the House budget proposal shows progress, but the state's increase in school funding needs to be higher. Because she says basic needs have to be met before districts can even consider pay

boosts for teachers. "Whatever minimal increases districts have in normal every day expenses like utilities – there has to be enough in the budget to cover that," she says. The proposal offers an additional \$461 million – slightly more than a two percent increase in school funding per year. Meredith, and Superintendent of Public Instruction Jennifer McCormick say it should be closer to three percent. "When those dollars are tight, you have to take a hard look at everything and decide what can wait and what can't. And I would argue that this cannot wait – we are still in a teacher retention crisis," Meredith says.

Black caucus concerned about SB12

The Indiana Black Caucus is concerned but not surprised about the status of SB12. State Rep. Robin Shackleford (D-Indianapolis) and chair of the caucus explained, "The IBLC is certainly not surprised that the Indiana Senate supermajority again decided to avoid passing a responsible bias crimes bill this session. In its current form, Senate Bill 12 is nothing more than a weak, watered-down effort to try and appease groups that choose not to believe that such crimes exist. We share Gov. Holcomb's disappointment at what the Indiana Senate supermajority did. Like the governor, the IBLC recognizes there is ample time to make things right before the end of the 2019 session. The battle now moves to the Indiana House. We know that the Speaker and his leadership would prefer this matter to simply go away, and that we pass Senate Bill 12 without a peep. Those of us in the IBLC who serve in the House will not be quiet on bias crimes. We will take every opportunity to pass a bias crimes law that protects all Hoosiers, regardless of a person's race, religion, color, sex, gender identity, disability, national origin, ancestry, sexual orientation, or age."If we have learned anything through the years about this issue, it's that we must be patient. One of our members – State Rep. Gregory W. Porter

(D-Indianapolis) – has been fighting this fight for more than 15 years. "But we know that we are right. Indiana needs a bias crimes law, and we will get one."

Niesgodski fears another RFRA

South Bend's Democratic state senator Wednesday said he fears passage of a hate crimes bill that doesn't specify types of hate could hurt Indiana economically as much as the Religious Freedom Restoration Act did in 2015 (Parrot, South Bend Tribune). "It's looking every bit as bad as when we went through the RFRA spectacle of a few years ago," said Sen. David Niezgodski. "This is not something that's all-inclusive. They've stripped and gutted the bill." Niezgodski was referring to an amendment to a bias crimes bill the Senate passed Tuesday. As introduced, the bill allowed judges to increase sentences for violent or property crimes motivated by the offender's hatred of a victim because of a list of factors including the victim's race, religion, color, sex, gender identity or sexual orientation. But an amendment offered by Sen. Aaron Freeman, R-Indianapolis, replaced the list of terms with simply "bias."

Gaming bill to be heard today

A legislative committee could decide today whether to shake up Indiana's gambling industry (Hren, Indiana Public Media). A proposed bill contains three major changes: it would allow a Gary casino to move inland, it would legalize sports wagering, and it could also allow for construction of a casino in Terre Haute. Mayor Duke Bennett says when casinos first came to Indiana in 1993, Terre Haute was on the list to get one. 26 years later, the city could be getting close. Gary is selling a casino license and is eyeing Terre Haute for a new location. Bennett has been lobbying for the casino the past few years because he says it would bring hundreds of jobs and strengthen the economy. "Probably two-thirds of those jobs will be paying \$20 an hour, that's pretty good from a perspective

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of diversifying our economy and providing good stable jobs for people," Bennett says. The legislation took a turn last week when Sen. Ryan Mishler's (R-Bremen) bill called for the Indiana Gaming Commission to decide the location of the casino, rather than promising it to Terre Haute.

Smoking age bill snuffed

A cigarette tax hike isn't the only anti-smoking measure running into trouble at the statehouse. The Senate Health Committee voted to raise the smoking age to 21. But the bill never got a second hearing required to bring it to the full Senate, because locking out three years' worth of customers would cost the state an estimated \$14 million (Berman, WIBC). Although Tax and Fiscal Policy Chairman Travis Holdman (R-Markle) let a deadline pass without hearing the bill, he says he's still open to amending it into another bill later. But he says Senate Republicans will have to discuss it.

Innskeeper tax passes House

Allen County's lodging tax could go up this year under a bill passed 67-31 by the Indiana House on Wednesday (Kelly, <u>Fort Wayne Journal Gazette</u>). House Bill 1402 makes changes to innkeepers' and food and beverage taxes in 10 counties, including Allen. It was co-authored by Rep. Phil GiaQuinta, D-Fort Wayne. Rep. Mike Karickhoff, R-Kokomo, said local officials use these taxes to improve cities, towns and counties. In the past the requests were sometimes done individually and rarely passed. So this time lawmakers combined them. The local language would allow the Allen County Council to increase the innkeeper's tax rate from 7 percent to 8 percent. The tax was imposed by state law before 1980 and was last raised in 2007. The legislation also increases the share of the revenue that must be granted to the convention and visitors bureau. The remaining portion is to cover debt obligations for Grand Wayne Center. A fiscal analysis shows the tax would bring in about \$890,000 in new revenue in 2020.

Payday loan bill vote coming in Senate

Legislation that would slash allowable interest rates for payday lenders will now go to the Indiana Senate floor (. The Insurance and Financial Institutions Committee passed the bill 6 to 2 Wednesday (Hornton, <u>Indiana Public</u> <u>Media</u>). The bill would limit payday lenders to a 36 percent interest rate, a reduction of more than 90 percent from the current limit of 391 percent for a two-week loan of \$650 or less. Indiana Institute for Working Families senior policy analyst Erin Macey says she hopes the bill making it to the Senate floor helps create more awareness of the risks of payday lending. "I think the reality is this is like a garden with weeds in it," Macey says. "Payday loans are right there, they're aggressively marketed to low-income families." �

GPD HOWEY

Mayor Snyder & truth

By RICH JAMES

MERRILLVILLE – I hate to see anyone go to prison, including former Portage Mayor James Snyder, even though I've never really cared for the guy. Even though I have no love for Snyder, he does have a family and those



are the people who will suffer the most when he is incarcerated.

And yes, he will go to jail. That's what happens to mayors who violate the public trust. And, for all those who love attacking Democrats, it should be noted that Snyder is a Republican.

I first talked to Snyder in 2011 when he was making his bid for mayor against incumbent Democrat Olga Velazquez. Shortly after taking office, Velazquez had

hired former FBI special agent Mark Becker as police chief. Becker had a reputation throughout Northwest Indiana as a bright, no-nonsense law enforcement agent. He had spent a good deal of time in Gary fighting gangs and drugs. Becker performed well in Portage, but he and law enforcement became a key issue in the campaign between Velazquez and Snyder. Snyder leaned on scare tactics in an effort to turn the city against Velazquez. Toward the end of the campaign, Becker's future came into question.

I asked Snyder if he would consider retaining Becker as police chief. After all, there was no one in the department with more expertise in law enforcement. Snyder hemmed and hawed and finally said he would grant Becker an interview. I didn't believe Snyder at the time and he proved me right.

A couple weeks after the election, which Snyder won by fewer than 300 votes, the mayor-elect said he would not grant Becker an interview and that Becker would not continue as police chief.

Yeah, Snyder lied to me. But there is nothing illegal about an elected official lying to a newspaper man. No, it's not illegal, but it says something about the ethics of the man. It's too bad the people of Portage didn't recognize that before electing Snyder mayor. \diamond

Rich James has been writing about politics and government for 40 years. He is retired from the Post-Tribune, a newspaper born in Gary.

Poor policy weakens Indiana's economy

By MICHAEL HICKS

MUNCIE – As 2019 begins anew, economists suggest a softening national economy. Industrial production is in decline and retail sales dropped in December. Consumers even shifted their purchases to Walmart, signaling



lowered expectations about the economy. Much of Europe is sliding into recession and China may already be in a slump. The sole unambiguous piece of good news is found in the unemployment rate, but that is a lagging economic indicator.

The spate of worrisome news could signal the beginning of a recession, but I think it is more likely a return to trend. But,

the problem is that the trend has been very unkind to the Hoosier economy. A return to trend is not good news for Indiana. Let me explain.

U.S. economic growth in the post-recessionary period averaged 2.25%, while Indiana lagged a full 0.2% behind the nation as a whole. This may seem like a minor difference, but this difference over a decade amounts to a significant and alarming relative decline in the Indiana economy. Small growth rate differentials matter, and with the average Hoosier now earning less than 87% of the typical American, we should be very worried about stagnating long-term economic growth.

Looking back at the recovery period reveals a turning point sometime between 2014 and 2016. From the fiveyear period after the end of the Great Recession through 2014, Indiana grew about 15% faster than the nation as a whole. Our personal incomes grew very fast during this time, closing the per capita income gap faster than at any other time in our state's history. By 2015, all that relatively fast growth ended.

Indiana's economy shrank in 2015 and has struggled to regain its economic footing. From 2015 through second quarter 2018, Indiana's economy grew one full percentage point slower than the nation as a whole. From 2013 to 2018, Indiana's personal income growth also stalled, widening its gap with the nation as a whole by more than 30%, or more than three percentage points. In 2018, Indiana clearly underperformed the nation as a whole in GDP and employment growth. In 2018, manufacturing employment stalled, signaling a likely slowdown in employment growth across the state in the months to come.

Let me speak plainly; the recovery from the Great Recession is leaving Indiana behind. Maybe the most poignant and alarming piece of data is the very poor composition of job growth. As I've noted in recent columns, the share of workers with a college degree in Indiana has now slipped beneath that of Kentucky. This heralds a longer period of stagnation in the years to come, and is surely among the reasons why Indiana's economy diverged from better national growth mid-way through this recovery.

This leads to some important questions about the role of public policy in our current condition. Let me begin by ruling out such minor shocks as tax rate changes, the Healthy Indiana Plan or the RFRA controversy. Moreover, these years saw the Regional Cities Initiative that boosted economic conditions in parts of the state.

It is safe to conclude that much of the declining economic prospects can be attributed to the structure of our economy, which has failed to shift into more productive sectors employing better-educated workers. One potential culprit in the lagging Indiana economy has been the shift in our human capital policies. Our slack attention to bettering educational outcomes has surely contributed to slower employment growth among better-educated workers. So how did this happen?

Between 2014 and 2016, there was a radical change in the mission of our workforce training agencies and the state's largest community college. With little fanfare or public debate, the mission of these groups changed from focusing on the needs of the student to targeting the needs of business. In practice that meant just a few vocal businesses.

This change likely violated the intent of the Federal Workforce Investment Act, which provides funds for increasing earnings, skill attainment and enhancing the productivity of the nation. The results have been dismal. Since this change, Indiana's employment profile has skewed heavily away from formal education. Thus, in a decade when more than 80% of new jobs nationwide have gone to college graduates, Indiana has seen only 17% of new jobs going to college graduates.

This emphasis on deferring formal education to meet the short-term needs of business has also infected the K-12 system and threatens to engulf Indiana's colleges and universities. It need not have been so. Back in 2015, I welcomed Governor Pence's call for more vocational education in schools. But, what was designed as a wise policy to prepare more students for a productive life at work ended up causing the state's school board to weaken curriculum requirements. This has left us with a workforce less prepared to withstand automation-related job disruption. Indiana is moving in the wrong direction, quickly. We will pay the price of this for a generation. Let me say it plainly. Our educational policy shifts were not merely unwise but wholly uninformed. By focusing on the needs of just a few vocal businesses at the expense of students, we have significantly weakened the state's economy. Since that shift, Indiana's economy has grown at about 55 percent of the national rate.

By softening the educational requirements in

HOWEY HOWEY

high schools, and by promoting jobs of today rather than careers for the future, we may well have squandered the opportunity for rapid growth during the longest recovery in US history. The status quo is not working. Our human capital policies won't change themselves. It is time for the General Assembly to undertake a thoughtful and informed review of our human capital policies. It is also time for employers and households to make it clear to elected officials that the long-term interests of Indiana lie in a welleducated, and well-trained workforce.

Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Frances Ball distinguished professor of economics in the Miller College of Business at Ball State University.

Randall Shepard, IBJ: The disintegration of American newspapers is proceeding at a pace that's breathtaking and disheartening. We need to start talking about where we can find reliable news. The trend is plain

for all to see. Most visible in the state's capital have been the layoffs at The Indianapolis Star and the shrinkage of the papers that arrive on the doorstep. Shrinking the news staff has been a regular part of Gannett's management since it bought The Star from the Pulliam family in 2000.

Departures in recent weeks — some from buyouts, some from layoffs — have included such stars as Tim Swarens, Will Higgins, Greg Weaver and Gary Varvel. And the paper shrank with elimination of valuable columnists such as Ball State University's Michael Hicks. Lest one wonder about the remaining readership, the prominence of ads for hearing aids and walk-in bathtubs tells you a lot. The current Gannett suitor, hedge-fund vehicle Digital First, has a reputation for fervent cost-cutting. It's hard to imagine what's left. This is hardly an Indy phenomenon. Gannett properties like the Courier & Press in Evansville and The Star Press in Muncie have depleted to the point where their editions feature much copy traded with each other, and of course, less news about events happening in the subscribers' communities. And the Schurz family has just sold the South Bend Tribune and seven other Indiana papers to GateHouse Media. GateHouse specializes in weeklies. Think about it. There's nothing subscribers can do about these developments, but we can help the larger situation by paying attention to places where the news is actually improving. A stalwart that gualifies as broadcast and digital is Gerry Dick's Inside Indiana Business. The show on public broadcasting works alongside regular web postings. Supporters include law firms, banks and the Indiana Chamber. A formulation is being built by Indiana Public Broadcasting Stations, now led by Mark Newman. IPBS has added news staff to provide coverage offered through 17 stations serving most of the state's markets. We're also benefiting from stronger contributions from many broadcasters and Chalkbeat, and by players like Ed Feigenbaum,

Brian Howey and Abdul-Hakim Shabazz. 🛠

Peter Wegmann, Real Clear Politics: Pete

Buttigieg, the millennial mayor with an unusual last name, is unique. He is the youngest of the Democrats lining up to challenge President Trump in 2020. He is often more pragmatist than progressive firebrand. And he is making his campaign about "intergenerational justice." This means the mayor of South Bend, Ind., weighs policy debates in terms of the short term versus the long term. And this has led him to weigh in on a topic the rest of the field apparently would rather avoid: the ballooning national debt. "It is a problem, and it is a problem that has to be taken seriously," Buttigieg told RealClearPolitics. "I think a lot of policy decisions seem to be made with the expectation that the consequences are someone else's problem. But the younger you are, the more it is our problem." The national debt topped the \$22 trillion mark this month, the highest total ever, despite continued economic growth and despite (or perhaps because of) the general indifference of

> both political parties. More than \$2 trillion of that total has been added since Donald Trump took office. The rest was racked up under his predecessors, particularly President Obama, under whom the debt doubled. "What is extraordinary is to do massive tax cuts for the wealthiest, blowing up

the debt in the context of an economic recovery where you didn't need that stimulus in the first place and no one was even asking for it," Buttigieg says. While Democrats love to loathe the Trump tax cut in similar terms, what makes this millennial unique is the next part of his comment: "That's the kind of irresponsible decision that has a both a very unfair distribution affect within the moment and also winds up effectively telling middle-class people my age that we are going to be subsidizing the wealthiest people today for the rest of our lives." So how would Buttigieg deal with the debt? He calls for investments in infrastructure and education to boost productivity. He adds that a lot of debt reduction "can happen on the revenue side where people are not paying their fair share."

Patrick Lawerence, Consortium News: In. What a job Vice President Mike Pence and Secretary of State Mike Pompeo did in Europe last week. If the objective was to worsen an already critical trans–Atlantic rift and further isolate the U.S., they could not have returned to Washington with a better result. We might have to mark down this foray as among the clumsiest and most abject foreign policy failures since President Donald Trump took office two years ago. The Europeans, in short, should recognize America's global dominance and do as it does; as if it were still, say, 1954. It is hard to imagine how an American administration can prove time and again so out of step with 21st century realities. How could a vice-president and a secretary of state expect to sell such messages to nations plainly opposed to them? ❖

COLUMNISTS Indiana

Mueller report coming next week?

WASHINGTON - Attornev General Bill Barr is preparing to

announce as early as next week the completion of special counsel Robert Mueller's Russia investigation, with plans for Barr to submit to Congress soon after a

summary of Mueller's confidential report, according to people familiar with the plans (CNN).

The preparations are the clearest indication yet that Mueller is nearly done with his almost two-year investigation. The precise timing of the announcement is subject to change. The scope and contours of what Barr will send to Congress remain unclear. Also unclear is how long it will take Justice officials to prepare what will be submitted to lawmakers. But with President Donald Trump soon to travel overseas for a summit with North Korean leader Kim Jong Un, Justice officials are mindful of not interfering with the White House's diplomatic efforts, which could impact the timing. The Justice Department and the special counsel's office declined to comment.

SCOTUS rules on Indiana seizure case

WASHINGTON - The Supreme Court ruled unanimously Wednesday that the Constitution's prohibition on excessive fines applies to state and local governments, limiting their abilities to impose fines and seize property (Washington Post). Justice Ruth Bader Ginsburg, on just her second day back on the bench after undergoing cancer surgery in December, announced the decision for the court, saying that the Eighth Amendment's Excessive Fines Clause protects against government retribution. "For good reason, the protection against excessive fines has been a constant shield throughout Anglo-American history: Exorbitant tolls

undermine other constitutional liberties," Ginsburg wrote. "Excessive fines can be used, for example, to retaliate against or chill the speech of political enemies. . . . Even absent a political motive, fines may be employed in a measure out of accord with the penal

TICKER TAPE

goals of retribution and deterrence." The court ruled in favor of Tyson Timbs of Marion, Ind., who had his \$42,000 Land Rover seized after he was arrested for selling a couple hundred dollars' worth of heroin.

Crouch previews broadband program

INDIANAPOLIS - Indiana's lieutenant governor says the state will announce details of a grant program this week that will give broadband providers money to expand Internet service into more rural areas (Indiana Public Media). The state is funding the effort with proceeds from the renegotiated Indiana Toll Road agreement. Broad strokes of the state's \$100 million broadband access grant program were announced last September as part of Governor Eric Holcomb's infrastructure agenda. Now, in a speech in Muncie on Wednesday, Lieutenant Governor Suzanne Crouch previewed a Thursday announcement of the details of that plan. She says broadband providers can receive up to \$5 million in grant money to run broadband services to "underserved areas" if they provide at least a 20 percent match for the grant.

Glass apologizes for IU obscene chants

BLOOMINGTON — Indiana University's athletic director is apologizing about the profane chants from IU fans and students at Tuesday night's game against Purdue University (Fox59). The chants were directed at Purdue Center Matt Haarms. In a letter to student-season ticket holders, Athletic Director Fred Glass called the chants "embarrassing" and "unacceptable. The profane chants directed at a

specific Purdue player were not part of your positive contributions. They were embarrassing and unacceptable and reflected poorly on you and Indiana University. Knock off the profane chants, and please help those around you to do the same. You and Indiana University are better than that."

Russians filling in the soybean gap

RAZDOLNOE, Russia-The Partizan collective farm in this Siberian village should have been swept into the dustbin of history like thousands of others like it that collapsed after the Soviet Union's fall. Instead it just raked in the biggest harvest of its 90-year history, bought new machines and paid out record bonuses (Wall Street Journal). Its secret? Soybeans-and the Chinese market just 13 miles away. President Trump's trade conflict with Beijing has nearly wiped out U.S. soy exports to China, the bean's biggest market. Chinese officials this week reaffirmed an earlier commitment to buy more American soybeans amid U.S.-China economic negotiations. But the outcome of those talks are uncertain, reflected in recent volatility in the U.S. soy futures market.

Coast Guard Lt. arrested for terror

WASHINGTON - A U.S.Coast Guard lieutenant and self-described white nationalist was arrested after authorities said they found more than a dozen firearms, ammunition and a hit list of Democratic lawmakers, activists and media personalities in his Maryland home (Wall Street Journal). Lt. Christopher Paul Hasson was arrested Friday on charges of illegal gun possession. But prosecutors said in subsequent court filings that those charges were the "proverbial tip of the iceberg," accusing him of being a domestic terrorist "bent on committing acts dangerous to human life that are intended to affect governmental conduct."

