



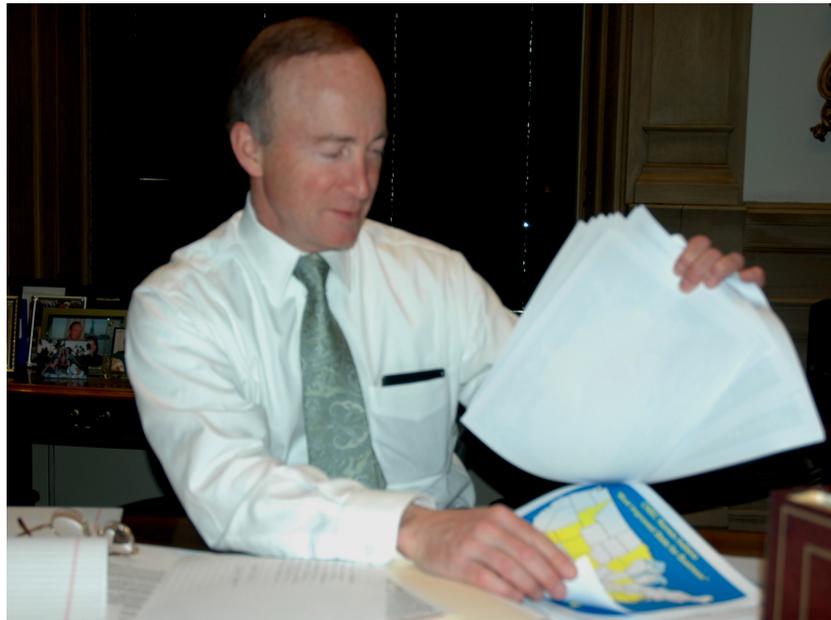
# Gov. Daniels: Into the vortex

*On the brink of a tumultuous month, Daniels surveys the budget, autos, caps and reforms*

By **BRIAN A. HOWEY**

INDIANAPOLIS The next six weeks will be high drama for Indiana on a number of fronts. General Motors and Chrysler will learn if they'll face bankruptcy and/or liquidation that could impact

140,000 Hoosier workers and dozens of auto supplier companies. The state's dire revenue forecast, already known to legislative leaders, will ultimately shape the budget, as will the various rescues and bailouts put forth by President Barack Obama that could determine whether we face a



Gov. Daniels showing off good reviews Tuesday in his Statehouse office for Indiana's business climate despite a 9.2 percent jobless rate. (HPI Photo by Brian A. Howey)

short or prolonged recession or even a depression. We will know if there is any life in the Kern-Shepard reforms. And

there will be a resolution to the Unemployment Insurance Fund.

It is within this policy and political vortex that Howey Politics Indiana sat down with Gov. Mitch Daniels

**See Page 4**

## A party & progress

By **BRIAN A. HOWEY**

INDIANAPOLIS - Last Friday, Democratic House freshmen led by State Rep. Ed DeLaney called a press conference outside the gutted Cosmopolitan Building to say they would revive Marion County township fire mergers. Abruptly, DeLaney and State Reps. John Barnes and Mary Ann Sullivan postponed the presser indefinitely.

Could House Speaker B. Patrick Bauer, who has tried to snuff all government reform and consolidation bills, be trying to squelch the freshmen? These events came about a couple of weeks after Gov. Mitch Daniels called Bauer's control over the House - and Democrat-



“It took us a couple of days because I like to know what I’m talking about before I speak.”

- **PRESIDENT BARACK OBAMA,**  
*answering the question from the press Tuesday on why it took him so long to respond to the AIG bonuses*



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ic caucus - "total" and "unchallenged." No, DeLaney said, and even if Bauer had, it wouldn't have troubled him much.

What is troubling DeLaney is that the Indiana Democratic Party is taking on the millstone of being anti-reform at the very time President Obama is bent on dramatically changing Washington and such wrenching issues as health care, energy and the Wall Street bailouts. "The Democratic Party should be viewed as the party of reform," DeLaney said. "That is part of the essence of our party."

His strongest example was President Lyndon Johnson's Great Society efforts in the mid-1960s, one which DeLaney acknowledged the party paid dearly for as Richard Nixon followed with the GOP's "Southern strategy."

It isn't lost on DeLaney that the two faces peering across Gov. Mitch Daniels' Statehouse office are Democrat reformers: Gov. Thomas R. Marshall a century ago and Gov. Paul McNutt during the Great Depression. Marshall's reforms came after intense battles in the legislature and were ultimately declared unconstitutional by the Supreme Court. McNutt, with huge Democratic majorities in the House and Senate, got rules suspended and his entire program through on the first day of the legislature in 1933 during the nation's most profound economic crisis.

**Asked if the Kernan-Shepard reforms, along with the Marion County consolidation efforts, are truly alive, the Indianapolis Democrat answered yes. He described it as an "ongoing debate" with the House Democrats. Other sources tell HPI that Bauer is beginning to feel the impact of a relentless parade of statistics from HPI, the Indianapolis Star and impending TV and radio ads from**

MySmartGov.org, the advocacy group for Kernan-Shepard. Some observers believe Bauer's obstinacy could be a problem for Democrats keeping control of the House in 2010, a notion that DeLaney conceded could be in play.

**Is the debate in the Democratic House caucus between the options of "kill or compromise,"** DeLaney smiled and said yes.

"I have not heard anybody criticize the objectivity or fairness of the Kernan-Shepard report," he said. "It's the results they don't like."

While Bauer has maintained that the legislature has only enough time to deal with jobs issues, DeLaney maintains that this is the best time to overhaul government. "It's absolutely critical," he said. "This is the time in economic history when we are relying on government. It's a turning point. What better moment to make this turning point? You jettison the parts of government you don't need. This state doesn't need this layer (townships) to support poor relief. It can be done far cheaper and far better. If you look at a not-for-profit, spending \$1.50 in overhead for every dollar in relief, the donors would stop giving."

Hours after this interview, Kernan-Shepard Commissioner Louis Mahern, a self-described "liberal Democrat," released new township data from Marion County that revealed that the 10 townships spent \$1.8 million on legal fees between 2005 and 2008 (four townships have yet to file their annual reports for 2008). Another set of statistics for Center Township revealed that only \$283,987 in direct utility assistance was paid in 2007, just 42 percent of the total utility allotments. Between 2005 and 2007, Center Township spent \$1.958 million on utilities, but only \$849,928 went to direct assistance to poor families.

**Why has Bauer decided to make House Democrats a barrier to progress?**

"It's a difficult vote," DeLaney said. "There are 10 township trustees for every legislator. I have three



Rep. DeLaney



trustees and one of them tells me the office shouldn't exist. Then there are the advisory boards. That's a large percentage of elected officials who are at a level we don't need. They have undue influence on the political process because there are so many of them."

He said that the Kernan-Shepard reforms have pushed many legislators outside their traditional caucus-oriented positions. DeLaney, who acknowledged he is still learning about the legislature and its traditions, said the caucus system generally provides the proper structure. "There's real value in that structure," he said. "But how do you suspend it? It makes sense on this issue."

DeLaney is critical of not only the House Democrats' anti-reform posture. He said that advocacy groups concentrating on how much money can be saved are not helpful. He said that Gov. Daniels should have been in the House chambers during the House Government Regulatory and Reform Committee hearing when Chairman John Bartlett attempted to kill all the Kernan-Shepard reforms. At that very moment, Daniels was at a rally below the House chambers on the property tax caps. "In my mind, the governor should have been inside the House chamber," DeLaney said. "That was one of our problems. The Republicans were unclear. I'm not sure the Republicans are clear on what they want."

DeLaney said that the Bartlett committee's moves that day were "not that scripted." DeLaney spoke passionately about the reforms, believing they would be only the first of several speeches he would make supporting the reforms. "I thought it would be the first of several opportunities I could shape the debate," he said.

**In an e-mail to constituents,** DeLaney explained, "There are lawmakers at the Statehouse who believe that local government reform should not be a top priority in the 2009 session of the Indiana General Assembly. They look at an unemployment rate of more than 9 percent and see the need to pass a state economic stimulus package that puts Hoosiers back to work. I agree, which is why I supported a plan (House Bill 1656) that would create jobs now. They see the need for state government to be fiscally prudent in tough economic times. I agree, which is why I supported a one-year budget plan that provides state support for critical programs and services, including education and health care. In any other year, those two tasks would be enough to fill our plates for one legislative session."

But DeLaney made a case for the reforms. "I believe we need to do more, which is why I support the types of local government reforms that are contained in the recommendations made by a commission appointed by Gov. Mitch Daniels that was led by Indiana Supreme Court Chief Justice Randall Shepard and former Gov. Joe Kernan," he said. "As you may have heard, the chances for these reforms passing into law this session are at risk. The House Government and Regulatory Reform Committee conducted

a four-hour hearing last week on the proposals, and then rejected them. I do not agree with the committee's decision. I spoke in favor of the reforms in the meeting, because I believe they are long overdue. I also believe that now is the time to talk about reforming government operations, since they will provide the type of savings that will benefit taxpayers in the long run."

**Democratic State Rep. Terry Goodin,** writing in the Crothersville Times, observed, "As these Shepard-Kernan proposals began working their way through the Indiana Senate, it was obvious lawmakers in that chamber had problems with them. A number of the original recommendations were watered down to make them more acceptable, and the entire package was placed in several different bills."

Goodin, D-Austin, continued, "However, these changes only served to muddy the waters. Counties (Lake and Marion) whose operations were criticized as inefficient and wasteful were exempted from some of the reforms,



Rep. Goodin

many of which were initially heralded as the way to correct the administrative problems in those very counties. In addition, the effort to replace county commissioners was turned into a confusing series of options. Those choices included leaving it up to the commissioners themselves to determine whether to eliminate their jobs or putting the matter up for a local referendum."

And Goodin likes the idea of easy access to local officials. "I believe there is a problem when you begin to talk about replacing local elected officials with appointed officials who are only accountable to the people who appointed them, rather than to the public," he wrote. "They are responsible and accessible. If they are not, they are voted out of office."

It was divide and conquer as the reforms were butchered in the Senate, giving an easy out to those like Goodin who complained about the resulting mish-mash instead of allowing them to work through the entire process.

**As for the postponed press conference,** DeLaney said he is looking at three or four different bills to revive the Marion County fire merger legislation. Asked about which bills, DeLaney said, "I'd rather not say. I'm looking at several opportunities."

And he is concerned that with the April 15 revenue forecast coming with dire news, it has the potential to swamp everything else at the Statehouse. "We have a relatively lean state government," he said. "There's not a lot of fat in the system." The cuts are going to be deep and painful. "Revenue forecasts in better times have sent legislators into a Chicken Little mode. "We've got huge issues coming up, which is why I'd like to do it now rather than later. The timing is really, really difficult." ❖



## Daniels, from page 1

in his Statehouse office Tuesday afternoon to get a grip on the scope of the crisis and opportunity that will certainly make the spring of '09 a historic juncture in Indiana policy and politics.

**HPI:** The next six weeks are going to really fill in a lot of blanks and we've got a lot of daunting challenges. What are you expecting on the revenue forecast? How will that shape the final weeks of the legislature?

**Daniels:** Because I know what it's going to say, it's going to be just like real revenues; it's going to be well below December. So I mentioned it at last Friday's availability; I've just told our folks to go ahead and get with the forecasters, the econometric group ... in essence plug their latest economic numbers into their own model. If they were forecasting today, what would they say and the answer is they would show significantly below December for this year and the next year and the next year and to plan for that.

**HPI:** You've already been cleaving away at a pretty lean state government. So what are we looking at? Can you share any specific numbers?

**Daniels:** I'm on the road this week and I'm taking a slide show and here's one of them. That was the forecast on which the current budget was built; revenue for '09, that's the December forecast, and that's December updated (\$13.5 billion) and '10 and '11. And the most sobering thing of all is '11 at well under \$14 billion. It's well under what we expected this year for 2009. So it's three years of less than flat revenue. It's not unique to Indiana at all. The goal for people who want to be responsible is to make certain the base of state spending come 2011 is not more than that. In the meantime you've got this gusher of so-called stimulus money which is why I keep insisting it be spent on one-time purposes. If it's put in the base, people are facing a set of very, very significant and very wrenching cutbacks in two years, so we're not going to let the state get into that position.

**HPI:** You're obviously going to get help on Medicaid. Can you plug in some of the stimulus money for public education realizing the economy comes out of it in say, three years?

**Daniels:** The forecast assumes it's coming out of it, but it's coming off a very low base. You have to look reality in the eye and I think we can clearly achieve that through restraint, such that our reserves are greater come '11 than they are today, because we're going to need some of them. But that's doable, particularly with this profusion of federal dollars.

**HPI:** Will education be flat-lined then?

**Daniels:** We'll have to see. It won't be flat-lined when you consider that there's \$1.3 billion flowing straight to it through the federal funds. That's a heck of a lot of money. That's more than 20 percent of our total education budget in Indiana, or 10 percent a year. It means that I think we can be very careful in our spending of state dollars and still have a very significant total when you add the federal (dollars) to it.

**HPI:** Will the budget be your biggest challenge?

**Daniels:** Well, if you mean, will it be the most important thing? Yes. Will it be the hardest issue? I don't know. Getting it right is certainly the top priority. We have to do this. The House's non-effort tells you exactly what not to do. They would spend the entire reserves in less than a year now that we see these revenue updates. That's a formula for a big tax increase. That's exactly where we don't want to go. People ask me, "What's Indiana's stimulus plan?" It starts with maintaining a superior business cli-



**Gov. Daniels at his January inaugural. Like previous governors such as Robert D. Orr and Frank O'Bannon, Gov. Daniels is finding second term circumstances vastly different than in his first. (Access Indiana Photo)**

mate, which we now have. If we can simply keep taxes and other costs of business where they are and keep regulation and litigation reasonable, keep investing in our infrastructure in record amounts like we are, the gap between us and other states is likely to widen. Look what Illinois is going through right now.

**HPI:** And Michigan.

**Daniels:** Frankly most states near us. Kentucky just raised taxes. So by far the most important thing we can do - far more important than federal funny money - is preserving Indiana's new status as the best place to do business with the exception of a few sunbelt states. (The governor shows a series of Power Point slides, including Site Selection Magazine, CNBC, Forbes' cost of doing busi-



ness analysis, CEO survey, and a Tax Foundation analysis that shows Indiana as a leader in having a healthy business climate.) That's chapter one of a winning game plan for Indiana. That's why getting the budget right, not making foolish mistakes there I think is the most important thing.

**HPI:** So the one-year budget is off the table even with the uncertain revenue forecasts?

**Daniels:** We should do this the correct way, the proper way, the usual way. We can always come back and make mid-course corrections next year. We don't want to try and write an entire budget in a short session. It's a lot easier to add dollars if you've been pleasantly surprised than to take out dollars because you were rashly optimistic. That's why I had our folks wait. The April forecast on a conventional schedule would not be available until the last 10 days or something of the session. When it was perfectly clear to me we had less money to work with than what December said, I said, "Let's don't wait." Last week, having done that exercise with the people from Global Insight, I brought the leaders of both parties in on Wednesday and showed them. They understood the dimension of the challenge we have. We can all be working from the same general sense of reality.

**HPI:** Where's your line in the sand when it comes to the constitutional tax caps and the Kernan-Shepard reforms in whatever way they can be resurrected?

**Daniels:** On caps, I'm going to simply continue to urge and urge others to urge to send this decision on to the people who will make the ultimate decision if permitted to. There's nothing new to say about it. There was a majority in the Senate and a big majority in the Indiana electorate and a big majority in the House as well to submit this to the people for a final decision. But it all comes down to one person.

**HPI:** Is that a chip on the table, if the Speaker says he wants this you can say, "Well, I want the caps."

**Daniels:** I hope that's the game. I hope that's it. I think maybe it is. If not, then the game is to deep six the caps through one device or another and that would be a much more serious matter. If it's just something he's holding in his renowned poker playing way, that's fair, as long as we get it done.

**HPI:** It's my understanding there's a fairly vigorous debate in the House Democratic caucus over the Kernan-

Shepard reforms: to kill or compromise. What would you like to see on your desk in May?

**Daniels:** I'm really not sure. The advocates of reform, we're visiting with them. It's a close call. Everyone accepts the need for lots of compromise. The ones the Senate passed are very different from the ones we submitted. Fine. But, there is a point where you've done only token, symbolic things and if that becomes an excuse for no future action, then you've made a mistake. So there's a discussion among the proponents as to whether the best thing is not to regroup and work hard this year and come back next year. But we will come back. Next year. Or the year after if necessary.

**HPI:** The further you get away from the public exercise of Kernan-Shepard town halls in 2007, Is there a point when you get further and further away from the civics of '07 where the reforms could fade away. I see your governorship as

maybe the best chance in a century, since Gov. Marshall, to reshape the state and reposition it. That's my concern.

**Daniels:** Another close call. There's been a growing public understanding, very much so this year, of why the current system is outmoded and why it ought to be changed. In a linear fashion, even though we are 15 months from the submission of the report, the understanding has grown. Now you could reach a point where people weary of the whole subject and give up. I don't think we're there. I think the reason that folks in the Democratic caucus feel embarrassed is because there is some pressure when many people cynically thought there would be none. I don't think the mood for reform has crested yet. I appreciate the risk that it might and you haven't tried to get at least half a loaf and you might wind up with less. But you know I'm not privy and I can't even guess, I don't even have an educated guess as to what goes on in the minds of House members. They look terrible this year: a budget that would bankrupt the state and run us into a tax increase; bailout for casino operators after less than a year; take away the referendum rights we just gave people last year to control local capital projects; and, meanwhile, the burial ground of reform. If I were a member of that caucus I would feel a little bit on edge.

**HPI:** A couple weeks ago you said the Speaker's control was "total" and "unchallenged" and yet we're seeing some House Democrats, Reps. DeLaney, Stevenson, others, push back.

**Daniels:** Well, you know more than I do. I still



Gov. Daniels with former Gov. Joe Kernan and Chief Justice Randall T. Shepard in July 2007. (HPI Photo by Brian A. Howey)



see him (Speaker Bauer) in a very, very dominant position. There are some brave people who have been courageous enough to speak a word or two, but I have yet to see anybody vote. Once the law has been laid down, and there are many occasions on which we know there have been many Democrats who favor a given change or a given reform, then it comes down to where people are lined up like good soldiers every time. By the way, that's the mark of effectiveness in a leader. I may disagree with the purpose, but you sort of have to admire the iron discipline that doesn't exist on the Republican side, I can tell you that.

**HPI:** When you ask people around the Statehouse what the Speaker wants, the answer is always the same: control after the 2010 elections. It's a pure political desire.

**Daniels:** One has to admire the iron hand and the discipline that he has been able to impose even if one disagrees with the uses and purposes of the obstruction. In the past, I would say that I strongly disagree, but at least I understood the political calculation. This year, I'm having trouble understanding the political idea. I think they are way on the wrong side of the public on blowing the reserves and spending all our money. I'm out there all the time and I haven't had one citizen come to me and say, "Please spend that money. That's the best thing we can do." It's just the opposite. I think they are way on the wrong side of public opinion on local government reform. Clearly they are on the wrong side of taking away the referendum right and blocking the caps. So these decisions probably are made for political reasons this year unlike previous years, but I'm not sure I see the sagacity that is always associated with what they do.

**HPI:** It sounds like a campaign platform for '10 House races.

**Daniels:** I just want to get things done. I have always tried, and I will for these next six weeks, to try to find ways in which the Speaker will conclude that cooperating on a few important issues is good politically. I think their best days as a majority were when they came together on budgets that were responsible on health insurance plans, telecommunications, and on property tax reforms last year. I appreciate and preach the virtues of bipartisanship; we were signing a bill this morning (on clean coal technology)

and it happened in the best bipartisan way. My goal always is to see if we can align what's good policy for Indiana to what's good politics for the Speaker. So far in this session I haven't been able to do it and as a matter of fact he seems to be headed in the other direction.

**HPI:** I've been asking you since November about the Detroit 3 bailouts and the potential loss of not just more manufacturing jobs, but a whole sector. Brookings says we could lose 140,000 jobs. How are you calibrating this? How are you preparing if the worst happens? In the next four to six weeks some momentous decisions could be made. How are you as governor going to respond to a bailout or these companies going into bankruptcy or even liquidation?

**Daniels:** It's March 24.

The first bailout checks were cut back in November. So several months, anyway. The issue to me is still exactly the same: either the companies make the fundamental changes that will make them competitive or somebody else will wind up making cars in this country. I've doubted all along the politicians would have the guts to impose the necessary changes. A bankruptcy referee would. So I haven't protested. I've kept quiet and I intend to keep quiet. I just observe that if they shovel all this money in there, I hope they are going to make these changes. There needs to be bankruptcy without a court involved. And we haven't seen that in a couple

of months. Now they're taking more money. I don't think it works for them to be permanent wards of the state. Why did politicians run a losing toll road? Because they don't have the guts to make sensible business decisions. I'm still hoping, but the days go by and the bailout dollars pile up. We haven't seen those fundamental changes. An argument I've never bought is no one will buy a car from a Chapter 11 company. They are bankrupt now. I'd buy a car from them by the way, if I needed one. It's a great time. Because somebody in the market will step up and service that car and make money doing it. I wouldn't hesitate. But anybody who would, has already decided not to buy from them. It's not as though the average Hoosier or American doesn't have the sense to know a bankrupt company when he sees it. It's a formality.

**HPI:** Can you make the case that if GM goes bankrupt and liquidates that maybe in five years "Th!nk" or



**Speaker B. Patrick Bauer and Gov. Daniels at the March 2008 signing of HB1001 and the property tax caps. (HPI Photo by Brian A. Howey)**



The governor enters the Tipton County Courthouse in the summer of 2007 for the announcement of the Getrag Transmission plant, a project it was to work with Chrysler. The auto collapse killed that 1,400 worker plant. (HPI Photo by Brian A. Howey)

someone else will be in that truck and bus plant ...

**Daniels:** Right. It wouldn't take that long.

**HPI:** Something like that can color the rest of your governorship. But how do we get from here to there?

**Daniels:** I pray that it doesn't happen. But the right answer cannot be for the American taxpayer to permanently keep subsidizing one politically powerful business. Nobody threw billions at the RV industry. We've lost almost all of them.

**HPI:** And we've still got 55,000 employed there.

**Daniels:** You know we have signed as many new deals to bring jobs to this state in the first two and a half months this year as last year. We've signed several now in the Elkhart area that we will be able to announce soon. We're beginning to offset in one or two months what we've lost. Already, even in a crummy national economy, smart businesses are seeing where opportunity lies and a lot of it lies in Indiana. They know there are great facilities and workers up there. We're fighting back and we will. Again, I earnestly hope the right kind of changes come to companies (Detroit 3) we've loved for so long. Life would be a lot better.

**HPI:** What was your first car? I heard you tell the story of your father and your first car.

**Daniels:** A Vega. A Chevy Vega.

**HPI:** Well, I had a Nova. How bad do you think this is going to get? Or is it impossible for anybody to say at this point?

**Daniels:** Because I don't know or pretend to know, I have to approach issues like the budget we've

been discussing assuming a very, very long and serious downturn. We are not going to let this state get in the shape of Illinois or California and so many other states. Wishful thinking is a luxury we can't afford. I say we have to look at reality squarely and then hope that things turn out to be a little better than we've assumed. That's an easy situation to deal with and a happy one.

**HPI:** I've had a couple of mayors tell me they are concerned that the people aren't prepared. They haven't saved for the kind of economy we may experience over the next couple of years. You're probably out to more places than anybody ...

**Daniels:** I'm very worried, but also let's count a few blessings here. It's America; I'm not talking about just Indiana. This is by a mile - a hundred miles - the wealthiest society that ever was. This is not the 1930s. It's not yet even the 1980s and we have put in place all sorts of programs to maintain unemployment insurance and all the other so-called safety net programs. We've still got - I see it everywhere - people with hearts of gold who are helping each other in ways you wouldn't find in Europe. Private charity has never taken root over there. The government just does everything and people feel they shouldn't have to. So I really think the American economy has surprised people repeatedly and may here yet again. As we fight our way through this we ought not overlook we have some stabilizers and all kinds of ways in which people help each other.

**HPI:** We've seen TARP and now another trillion for the toxic assets. You were in the White House; you've kind



of been there/done that. Do you think they are on the right track? I don't think I even used the word trillion much until last year.

**Daniels:** It's beyond anybody's comprehension. I'm being very purposeful about not criticizing this administration. I have been there in some other kinds of difficulties and I know the strains they are under. I do wish them well. We need them to succeed. I think job one, honestly, is economic recovery. We are talking one day after Treasury finally put the outlines of their proposal out. That's the most important thing I believe I can do: provide some effective restoration of financial markets. If they just get that right most of the rest will start taking care of itself. The stimulus program has warts all over it, but fine, (it's) the cost of doing business. Some of it I think will help. We're sure going to do our best in Indiana to do our part and use it well for Hoosier purposes. I will say their budget - in my judgment - is not only irrelevant, but counter-productive ... things they've proposed in this massive agenda. I hope that they or the Congress will think again and decide to put these things off. It won't help the economy recover, they will harm its recovery. I've turned down hosts of speeches and shows. I'm trying to keep my head down on Indiana's business. I wish the administration well and hope that they keep focused on the true crisis of the day.

**HPI:** Is it tough being a leader in a crisis mode and dealing with that fine line between preparing people and yet keeping people apprised of issues and challenges at hand?

**Daniels:** I have no complaints. The balance beam, everybody in responsibility - the private sector leaders too - needs to stay on is between urgency to help people who are truly at risk, and recognize the size of human problems, but not lock or let others lock into defeatism, which is not warranted and besides, could be self-fulfilling. The president is wrestling with it and anybody in a position of responsibility, is thinking about this. Sure we've got to look our problems in the eye. We've got to keep our people in difficulty uppermost in our minds and hearts. We also have to recognize that this is America and we've been through tougher problems than this and we've got a system which is probably the best ever devised for lifting everybody. Let's make sure we strengthen it as opposed to dismantling it.

**HPI:** With the jobs trust fund, you called the Senate action "excellent." Any perspective you can lend on where that's going to go?

**Daniels:** I think we'll pass the Senate bill or something very much like it. It's the only one out there that gets the arithmetic right. Certainly I'm never going to sign one that doesn't promise to close the gap and eventually repay the debt. This one does and a final product that looks a lot like that would be a real achievement. I think they should get together and polish it off. ❖

**4thQ GDP DOWN 6.3%:** The U.S. economy suffered its largest drop in 26 years during the fourth quarter, according to a report from the government (**CNN**). The nation's gross domestic product, the broadest measure of economic activity, fell at an annual rate of 6.3% during the final three months of 2008. The drop is the biggest one-quarter decline in this key measure since the first three months of 1982. ❖

**JOBLESS CLAIMS SET NEW RECORD:** The Labor Department said first-time claims for unemployment insurance rose to a seasonally adjusted 652,000 from the previous week's revised figure of 644,000, slightly higher than analysts expected. A year ago, the number stood at 367,000 (**AP**). ❖

**AUTO TEAM LEANING TOWARD AID:** The auto task force reviewing the viability plans of General Motors Corp. and Chrysler LLC is likely to attach new conditions on the automakers as part of the additional aid they are seeking, U.S. Sen. Carl Levin said Wednesday (**Detroit News**). Also, President Obama's task force may not finalize its recommendations for the companies until Tuesday's deadline, though it had been reported a decision could come by the end of this week.



"We have an indication it's going to be within the next week," Levin, D-Detroit, said. The automakers, as part of receiving \$17.4 billion in government loans, are to show by March 31 that they have a plan that will make them viable. GM and Chrysler have sought \$21.6 billion in additional aid and those requests could come with new strings. Levin said he expects the task force to make more aid available to the companies, if they take specific new steps beyond what's already been outlined toward restructuring. "I think it's clear there will be more support, and there will be some conditionality to it," he said, without providing details about the conditions. ❖

**STEEL LOWEST SINCE DEPRESSION:** Steel production currently is the lowest it's been since the Great Depression, yet there are still enough signs of life in the economy that indicate the United States will survive "The Great Recession" (**Post-Tribune**). ArcelorMittal President and CEO Mike Rippey pulled no punches with Lakeshore Chamber of Commerce attendees during their monthly luncheon Wednesday: The steel industry is operating at 40 percent capacity, and ArcelorMittal has laid off many employees with no firm date as to when they can come back. Last year, steel was running at 91 percent capacity until September. ❖



## Democrats sans reforms

By **LOUIS MAHERN**

INDIANAPOLIS - I am a liberal Democrat.

The first time I went to the microphone in the State Senate 32 years ago, it was to repeal the death penalty.

I introduced gay rights legislation in the State Senate almost 30 years ago. I supported the Equal Rights Amendment, tenants' rights legislation, and the successful bill to allow developmentally disabled citizens live in group homes in middle-class neighborhoods.

I highlight these issues to establish my Democratic Party bona fides because I am deeply embarrassed by my party's performance in this year's session of the General Assembly.

The biggest issue facing Indiana today is how to control property taxes without cutting vital public services that are in even greater demand in today's economic downturn.

Hoosiers made it quite clear last year that they wanted a lid on property taxes. The General Assembly responded with alacrity and imposed very tough controls.

**Now comes the second** and much harder part: "without cutting vital public services."

Unless we can figure out how to run local government much more efficiently, we will see public services cut once the property tax controls are fully implemented next year.

The Kernan-Shepard Commission, on which I served, issued a list of 27 recommendations as to how local government could be run more efficiently, more transparently and more effectively. Make no mistake, these recommendations are not easy and do call for shaking up the established order at the local level. But they are crucial if we are to preserve public services.

Yet with a few exceptions, Democrats in the State Senate have chosen to defend the status quo and turn their backs on the very constituencies they have traditionally defended. Last month, 15 of 17 Senate Democrats voted against moving mayoral elections to even-numbered years despite support from the Indiana Association of Cities and Towns.

Moving the mayoral election to an even-numbered year would save local units of government \$22 million

every four years statewide, more than \$2 million in Marion County alone. These are dollars that could be used to avoid public safety layoffs and library branch closings, dollars that could be used to keep public swimming pools and parks open.

What part of Democratic philosophy holds that we should continue to have separate mayoral elections in odd-numbered years at the expense of other vital public services?

**Democrats in the State** Senate have opposed the elimination of townships despite the fact that in many townships the cost of administering poor relief far exceeds the actual relief dispensed. In Pierson Township, Vigo County, the administrative cost of poor relief is \$6.42 for every dollar in actual relief.

In Newbury Township, LaGrange County, it is \$11.46. In Lovett Township, Jennings County, it is \$18.45. It almost makes you proud of Center Township, Marion County, where the administrative cost is only \$1.69 for every dollar in actual relief.

What part of Democratic philosophy holds that it is OK to spend more tax dollars on poor relief bureaucrats than on poor relief recipients?

What part of Democratic philosophy holds that it is OK for some rural trustees to hide from poor people by refusing to post their addresses or phone numbers? What part of Democratic philosophy holds that it is OK for almost two-thirds of all townships in Indiana to squirrel away in their bank accounts balances that exceed their annual budgets? Either give it to the poor or give it back to the taxpayer!

Yet, every Democrat in the State Senate voted against legislation that would have required trustees to post their contact information in at least one phone book, would have given county councils fiscal oversight on trustee budgets and would have imposed anti-nepotism restrictions.

**What part of Democratic philosophy** holds that it is OK for Marion County to have seven different fire departments? The firefighters' union has estimated that we could staff every necessary piece of fire equipment in Marion County with 100 fewer firefighters if we were to consolidate. Let's see a show of hands of those who think we might be able to use 100 more police officers instead. Yet, 12 out of 16 Democrats in the State Senate voted against consolidating Marion County fire departments. Marion County fire consolidation failed in the Senate by one vote.

What part of Democratic philosophy holds that Allen County needs 80 -- that's right, 80 -- elected township officials to provide fire protection and poor relief? Or that Marion County needs 72 elected township officials? The five smallest counties in Indiana have a combined population



**Kernan-Shepard Commissioners Louis Mahern and Sue Anne Gilroy at Franklin College in 2007. (HPI Photo by Brian A. Howey)**



of 40,000 and 156 elected township officials to provide fire protection and poor relief. That's one elected official for every 256 residents. Couldn't those dollars be put to better use in our schools, libraries, parks and public safety?

Maybe at age 67, I'm naive to think that Democrats remain concerned about those who need public schools, libraries, public parks or a little financial help from time to time and those who suffer disproportionately from inner-city crime.

Do I hold Democrats to a higher standard when it comes to these issues? Yes, I do.

These issues go to the very heart of why I am a Democrat.

Maybe I've lost touch with the current thinking of the party of Franklin Roosevelt, Robert Kennedy and Barack Obama. I certainly hope not, but I am beginning to wonder.



**Mahern, who represented Indianapolis in the State Senate for 16 years, was a member of the Indiana**

## Not so fast, Louis

By VI SIMPSON

ELLETTSVILLE - The recent column by Louis Mahern, "Democratic state senators voting against party beliefs," while dramatic provided an oversimplified and inaccurate argument to complex issues facing the Indiana General Assembly. As a former member of the State Senate from Indianapolis, Mr. Mahern should remember that legislation is often multifaceted and requires careful consideration.



Although local government reform is a worthwhile concept, lawmakers do not vote on concepts. We must cast votes based on the actual words that appear on the page. We must read the bills, consider the implications and vote for what is best for our local communities. Mr. Mahern, who is currently employed as a lobbyist, would have you believe that because we do not agree with him, we must be wrong. Not so fast, Mr. Mahern.

For example, Mr. Mahern would have you believe that legislation addressing township government was urgent reform. However, he did not mention that the bill itself would have taken away local fiscal oversight and given it to the members of the county council, several of whom would not be elected by the township voters. Has lobbyist Mahern ever heard of taxation without representation? Nor did he mention that his own county, Marion County, was exempted from the provisions of the bill. Lobbyist Mahern supports reform for the rest of us but not for his own county.

**Second, many legislators** would have supported the election reform bill if its only provision was moving city elections to the general election cycle as Mr. Mahern implied. However, Mr. Mahern failed to mention that the bill also contained a provision allowing counties to establish regional voting centers, a move that could disenfranchise voters, particularly elderly and disabled voters, by eliminating neighborhood voting sites.

Lastly, the Marion County legislation touted by Mr. Mahern would have mandated the consolidation of all fire

departments in the county. This option for townships already exists in current law, and the provision has been chosen by some townships. Although lobbyist Mahern blames Democrats in the Senate for the bill's failure, perhaps he should take up his concern with the Marion County legislators of both parties who did not support the bill.

**Mr. Mahern served** on the Kernan-Shepard Commission, and we appreciate his service. However, it is naïve to believe that all 27 recommendations of the commission are the only way, or even the best way, to reform local government. And it is even more irrational to think that Indianapolis should dictate such reform for all other counties when Marion County excludes itself from many of those same reforms.

If these recommendations are truly the best answers, then the proponents have done an inadequate job in convincing legislators of both parties, and the public generally, that these changes will actually save money, be more efficient and result in smaller government. Members from each party voted against these bills. Some of the bills even failed to find enough support to survive the Republican-controlled Senate committees. The group of people for whom Mr. Mahern should be embarrassed are those few individuals who believe so strongly in these reforms, but have done too little too late to advocate their acceptance. The groundswell of support for these changes does not exist.

Let's not be distracted from what are truly the biggest challenges facing Indiana and what our constituents are actually calling on us to fix: our failing economy, high unemployment, and the deterioration of our safety net.

**Mr. Mahern has said** that he hoped that all the recommendations would be given very serious consideration. The members of the Senate Democratic Caucus gave the recommendations serious consideration. We also read the legislation, which has been so perverted by amendments that Mr. Mahern himself might not recognize the Kernan-Shepard Commission in the bills. We voted on the merit of the actual bills, not on grandiose concepts, because that's what Democrats do. ❖

**State Sen. Vi Simpson resides in Ellettsville and represents SD 40 in Brown and Monroe counties .**

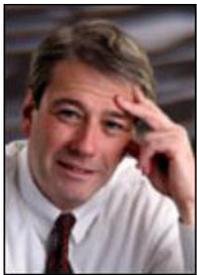


## Passing on the stimulus? Are you kidding me?

By **DAVE KITCHELL**

LOGANSPORT - Hoosiers have heard plenty of excuses for the lack of federal funds coming back to Indiana from Washington. Choose one from this list:

1. We didn't have the votes.
2. More populated states have more clout.
3. Indiana isn't home to the Speaker of the House.
4. Our congressman wasn't on Ways and Means.
5. The funding formula doesn't favor us.
6. We don't have enough urban areas to qualify.



Whatever the excuse, and there are probably many more out there anyone reading this column could come up with given time, I can think of no excuse for passing up federal stimulus money to

any state, regardless of party affiliation. Last Saturday, we heard Alaska Gov. Sarah Palin will forgo nearly one-third of the money due her state – this from the woman who said she said “no thanks” to Washington for funding for the “bridge to nowhere.”

There are few issues that crystallize a public official's borderline between political loyalties and public service. This is one of them.

Can any governor – and I'm not just picking on Palin – truly say, “Thanks, but we don't need all that money?”

In some cases, governors may be able to give up a portion of the federal stimulus and survive, but I don't know any state in the union where there aren't plenty of people unemployed, many people working two or more jobs if they have even a single job, businesses that are hiring dozens of new workers at a time, and banks and car dealers who are extending hours because business is so good.

**This is one of those rare times** when Washington is ready to give money back to Main Street America where it's really needed. There has been some debate about using state stimulus money to bail out states which are hurting financially and facing tax hikes or cuts in services. The federal government isn't going to let that happen.

What the Fed wants is to stimulate the economy. It wants to raise the tide that lifts all boats, even though we all know that won't happen. Any tide at this point will cause some much needed ripples we all need to boost our spirits when we open monthly statements on our Roth IRAs, 401(k)s and pension plans.

We've all studied the Depression in U.S. history classes. Wouldn't it have been newsworthy, if not foolhardy, for a governor in the 1930s to give up, say, the Tennessee Valley Authority, Works Project Administration or other federal money that gave us infrastructure for generations? In many cities including mine, two schools built by the WPA are still around 70 years later. One is being used as a state facility.

**There's been much said** over the years about giving our grandchildren debt they will have to pay for. But there's very little said about giving our children, grandchildren and other generations the infrastructure that will give them a safer way to travel, a better place to go to school, a more energy efficient town hall or county courthouse, or a safer power grid that won't crash every time there's a midsummer heat wave.

And that's why the federal stimulus plan for states isn't a Republican initiative, a Democrat initiative or a Congressional initiative. It's an American initiative, and we can't rely on many sources other than government to get the really big ticket items in our communities built, poured, paved and painted.

The other part of the economic stimulus story that has been under-reported is how deeply states, cities and counties have been hurt by a recession that goes beyond all 50 states to other countries and continents. When the federal government picture is hurting, everyone in the country worries about the nation, but when 50 people are laid off by an employer, it doesn't make the same headlines nationwide. Unfortunately, the latter has become increasingly true as even the most robust employers such as Caterpillar join the list of companies laying off employees or shutting down to give employees days off without pay.

**Did I mention there are** now 46 million Americans without health insurance? Jobs may evaporate even as the economy improves, including many of the good-paying jobs with benefits. This is an issue that may not go away any time soon.

Looking a gift horse in the mouth? No, that's not what this stimulus is all about. It's a horse of a different color.

Government officials who don't buy into a federal bailout are in danger of shutting the economic barn door in their states after the horses have gone. ❖

**Dave Kitchell is a veteran Indiana political columnist who teaches journalism at Ball State University.**

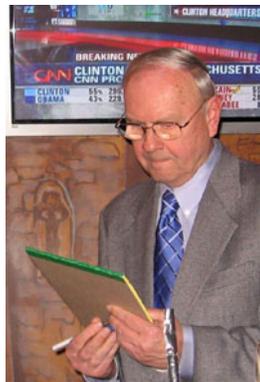


## When term limits become discredited

By JACK COLWELL

SOUTH BEND - Term limits are an idea whose time has passed. Good. It's a whacky idea based on belief that career politicians are bad. You know, people like Abraham Lincoln and Thomas Jefferson historically and senators like Dick Lugar and Evan Bayh in Indiana today.

Term limits for Congress, foolishly attempted by some states to, in effect, weaken their own congressional delegations, were declared unconstitutional by the U.S. Supreme Court. That's because the Constitution already sets qualifications.



Efforts to pass a constitutional amendment to change those qualifications written by the Founding Fathers, who included a bunch of career politicians, have stalled.

Some members of Congress that sought votes during the term-limit craze by pledging to voluntarily limit their own terms were later to see the value of experience

and keep running for re-election. Some made it. Some didn't. But the decision in each case was made by the people in their districts. And that's where the power to limit terms should rest, with the voters.

They can limit an incumbent to one term, if they choose, or they can keep a valued public servant working for them for half a century. It's their right. This right should not be taken away from the people by term limits, limits on democracy.

Amid the term-limit craze in the '90s, some states imposed limits on state legislators, who are not protected by constitutional qualifications for Congress. Some states later rescinded the nonsense or were saved by state supreme court nullifications. But 15 states still have term limits for their legislatures.

How have they worked?

Well, let's look at Michigan and California, where it's six years and out for a House member.

**Susan J. Demas**, in a Capitol Chronicles analysis, wrote: "The dumbest thing in Michigan is once a lawmaker finally gets good at his job, we kick him to the curb."

She said Michigan legislators tackle a \$44 billion budget "that is mind-bogglingly complex" and issues on "a dizzying number of subjects" from education to retirement,

from unemployment insurance to taxes on the employed, from old roads to new technology.

"Little wonder that Michigan shut the government down in 2007 after nine months of failing to solve a \$1.8 billion budget deficit," Demas wrote.

We know of the stalemate and chaos in California. Randy Bayne, in his blog analysis of California politics, put it this way: "A major contributing factor in the legislature's current inability to function and reach a compromise to end the budget crisis can be summed up in two words: term limits."

**Peter Schrag**, former Sacramento Bee columnist, wrote that with term limits "we've created a legislature that has neither an institutional memory nor members who can expect to be rewarded for long-term success, and thus, with rare exceptions, lack any motivation for leadership or inclination to sacrifice and compromise in the present."

There also are legislative stalemates at times in states such as Indiana, where thankfully there are no legislative term limits.

We don't know what will happen at the close of the present Indiana General Assembly session, but chances of avoiding months of special session wrangling and chaos and a government shut-down are better because of experienced legislative leaders. A year ago there were predictions that the combination of Republican Senate, Democratic House and Republican governor up for re-election would

doom any significant property tax measure. But House Speaker B. Patrick Bauer, a veteran legislator, and Gov. Mitch Daniels, also a skilled veteran of politics, cooperated to reach a compromise. Some didn't like it. But something was done, something far better than nothing.

**In the U.S. Senate**, Lugar last week cast his 12,000th vote. Only a dozen senators in the nation's history have cast more votes than Lugar, in his sixth term and 32nd year in the Senate. If there had been term limits, he long ago would have been gone. But in 2006, when Indiana voters held the ultimate term-limit power, they re-elected Lugar with



87 percent of the vote.

Bayh is up for a third term next year. Hoosier voters again will hold the power to limit a senator's term. Maybe they will. Probably they won't. Either way, they should have the right to decide. ❖

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



## Chance's Spring crocuses

By **BRIAN A. HOWEY**

INDIANAPOLIS – Spring ... Thank God we've made it to spring. On this particular day, we learned that sales of existing and new homes unexpectedly shot up in the 3 and 4 percent range. We learned that you could get an interest rate on a fixed rate and credible mortgage at 4.6 percent. Durable goods sales surprised everyone by rising 3.4 percent. The Dow was up 90 points. These are economic crocuses.



The night before this optimistic day, we heard President Barack Obama say at a nationally televised press conference, "We will recover from this recession, but it will take time, it will take patience, and it will take an understanding that when we all work together; when each of us looks beyond our own short-term interests to the wider set of obligations we have to each other – that's when we succeed."

I worry about that "patience" part in the endless 24/7 news cycles. After just six weeks of change in the Oval Office, the dingbats on the Today Show are wondering why the economy hasn't been rescued yet.

And a few hours before the president spoke, I was sitting in Gov. Mitch Daniels' Statehouse office and he, too, pressed a positive outlook. "You know what?" he asked. "We have signed many new deals to bring jobs to this state in the first two and a half months this year than last year. We've signed several now in the Elkhart area that we will be able to announce soon. We're beginning to offset in one or two months what we've lost."

Yes, it's spring. Chance the Gardener in the Peter Sellers' movie "Being There" predicted that after the long, cold, and lonely winter, spring would come and the flowers would begin to grow. I'll believe Chance over Mad Money's Jim Cramer any day.

**And yet, as all Hoosiers know,** even after a fairly long burst of temperatures in the 60s and 70s, we can still get that late snowstorm; even if the Regionals have passed. In the next week or so, we will learn much more about the fates of General Motors and Chrysler and the 140,000 Hoosiers that work in this sector of our economy.

Wall Street is still a zombie. It was fun watching Indiana members of Congress get on their soapboxes and denounce the AIG bonuses. The bonuses are actually going to employees who had nothing to do with AIG's meltdown and who are now strategically working to make things right. CEO Ed Liddy, who came out of retirement last year and is working for \$1 a year, told Congress that by selling off the good parts of AIG, it would probably be able to pay back its \$180 billion loan in the next few years. That is, unless our Congressional leaders frighten off anyone doing business with them.

**In watching all of this,** several things come to mind. One, as a journalist, it dawned on me that until 2008, I had rarely used the word "trillion." Now we all use that number all the time. I've come to believe that if a company is too big to fail, then we need to bust it up. I'd prefer the Teddy Roosevelt method to the mobs with pitchforks. And I loved how the president was asked why his rage against AIG was not immediate. Obama responded, "It took us a couple of days because I like to know what I'm talking about before I speak."

I have so little faith in Congress. I am leery any time a complex proposal is put before us and within minutes a congressman tells us that there's no way it will work. Or that it will. In spite of a potential national catastrophe we've been staring down the barrel at, I look here

and there, right and left and see a whole bunch of people who are more worried about winning re-election in 2010 than staving off a depression.

I remember during the last economic crisis, Democratic Speaker Tip O'Neill watched 63 of his Democrats vote for President Reagan's Program for Economic Recovery even as OMB Director David Stock-

man was presciently fretting about future deficits. O'Neill philosophically reminded reporters that Congress was ultimately responsible to the American people "and the will of the people is to go along with the President."

**But in this crisis,** the political tell tales are everywhere. I see Republicans, who passively watched national debt and budget deficits rocket into the "trillions" when they controlled the White House and Congress. In just a few short months they now want to lecture us about fiscal responsibility. Shockingly, they didn't even put the true costs of the Iraq and Afghanistan wars into their budgets, as if we dumb ol' American people wouldn't notice. As Rush Limbaugh articulated and few Republicans objected, many





want to see President Obama "fail."

**To which I recall a Cold War** quote from President Kennedy, who likened a nuclear war with the Soviets to that where the "fruits of victory would be ashes in our mouth."

The path we face is arduous, and the next 30 to 60 days will go a long way in defining America and our times. Be patient. Think. Keep an eye on your family, friends and neighbors. And stop and enjoy the spring flowers. ❖

## Only a few changes in major party chairs

By **BRIAN A. HOWEY**

INDIANAPOLIS - While the top of Indiana's two major political parties remained the same with Democrat Dan Parker and Republican J. Murray Clark returning, four new congressional district chairs were elected on March 14.

Ninth CD Republican Chairman Larry Shickles was upset in his bid for re-election as Erin Houchin of Salem won 22-13. Don Hayes replaced Dee Dee Benkie as vice chair after she was prohibited from running due to the GOP's gender rule.

Shickles made considerable news last fall when he advocated that Rep. Baron Hill and Republican challenger and former congressman Mike Sodrel be hooked up to a polygraph machine during their debate in Jasper. Sodrel made an appeal on behalf of Shickles, who limited Houchin to a two-minute presentation before the caucus, then spoke about 15 minutes himself before he was defeated.

Houchin could represent a new tide in the 9th CD. She is friends with Paoli attorney Todd Young, who is preparing a challenge in 2010 against Rep. Hill. Earlier this week, Kevin Kellems contributed financially to Young's campaign. Floyd County Prosecutor Keith Henderson is also considering a bid to challenge U.S. Rep. Baron Hill.

There were changes in two other GOP congressional districts. In the 1st CD, chairwoman and State Sen. Sue Landske and vice chair Kyle Conrad stepped down. Lake County Republican Chairman John Curley replaces Landske and Mary Ann Critser replaced Conrad.

In the 4th CD, chairman Bill Soards stepped down and was replaced by Pete Miller.

Randy Gentry was defeated by Marsha Carrington for 8th District GOP chair. In the 3rd CD, Vice Chairman Tony Culver retired and was replaced by Whitley County Republican Chairman Jim Banks.

On the Democratic side, IceMiller power attorney Lacy Johnson replaced Sherlonda Anderson in the 7th CD, and in the 3rd CD Carmen Darland was elected chair.

Here are the Indiana Democratic and Republican chairs, vice chairs and officers.

**Democratic State Committee:** Chairman Dan Parker, Indianapolis; Vice Chairwoman Cordelia Lewis

Burks, Indianapolis, retired AFSCME; Secretary Sofia Rodriguez Mirwaldt, Fort Wayne, Obama national delegate '08; Treasurer Sherrienne Standley, Evansville; Finance Chair Shawn Mulholland, Indianapolis; deputy chairs Mike Brown, Gary, Dora May Abel, Terre Haute, and Vicky Haire, Jeffersonville. **Democratic National Committee:** Ann Bochnowski, Munster; Dean Boerste, Tell City; and Mo Davison, Martinsville. **1st CD:** Chairwoman Bonnie Reese, Jasper County; Vice Chair Jeff Chidester, Porter County. **2nd CD:** Chairman Butch Morgan, St. Joseph County; Vice Chair Zanzer Anderson, Elkhart. **3rd CD:** Chairwoman Carmen Darland, Noble County; Vice Chair Charles Mumaw, Elkhart. **4th CD:** Chairman Jeff Fites, Hendricks County; Ruth Ellen Hallett, Montgomery County. **5th CD:** Chairman Keith Clock, Hamilton County; Vice Chair Julia Wickard, Hancock County. **6th CD:** Chairman Tim Southworth, Jay County; Vice Chair Julia Lewis, Madison County. **7th CD:** Chairman Lacy Johnson, Marion County; Vice Chair Mary Jayne Maher, Marion County. **8th CD:** Chairman Anthony Long, Warrick County; Vice Chair Mary Lou Terrell, Knox County. **9th CD:** Chairman Mike Jones, Switzerland County; Vice Chair Jeannette Hackman, Jackson County. **IDAAC (African-American Caucus):** Sharon Dunson, Marion County. **Stonewall Democrats:** Lori Morris, Marion County. **Indiana Young Democrats:** Shaunica Pridgen, Monroe County, and Keith Johnson, Marion County.

\* \* \*

**Republican State Committee:** Chairman J. Murray Clark, Indianapolis; Vice Chairman Sandi Huddleston, Franklin; Secretary Barbara McClellan, Westfield; Treasurer Brian McGrath, Indianapolis. **Republican National Committee:** Dee Dee Benkie, Versailles; James Bopp Jr., Terre Haute. **1st CD:** Chairman John Curley, Crown Point; Vice Chair Mary Ann Critser, Rensselaer. **2nd CD:** Chairwoman Joyce Smith, Galveston; Vice Chair Samuel Frain, Winamac. **3rd CD:** Chairwoman Barbara Krisher, Fort Wayne; Vice Chair Jim Banks, Columbia City. **4th CD:** Chairman Peter Miller, Avon; Vice Chair Barbara Knochel, Lafayette. **5th CD:** Chairman Bill Friend, Macy; Vice Chair Leeann Murray, Noblesville. **6th CD:** Chairman Ted Ogle, Columbus; Vice Chair Susan Lightle, Greenfield. **7th CD:** Chairman John Hammond III; Vice Chair Jennifer Ping, both of Indianapolis. **8th CD:** Chairwoman Marsha Carrington, Coatesville; Vice Chair Richard Bramer, Sullivan. **9th CD:** Chairwoman Erin Houchin, Salem; Vice Chair Don Hayes, Jasper. ❖



**Rich James, Post-Tribune:** Minutes after winning the chairmanship, (Tom) McDermott made his first mistake. McDermott backed off on his vow to back Calumet Township Trustee Mary Elgin for vice chair. So four months after the county played a major role in handing Indiana to Barack Obama, the county Democratic Central Committee doesn't have a black officer. Some 33 percent of the county's Democratic vote is black, yet there isn't an African-American on the central committee. Some might call that the ultimate snub. Although McDermott made his first mistake just minutes after being elected, it took him a couple days to step in the doo-doo a second time. McDermott told the Howey Report -- a political publication headquartered in Indianapolis -- that he is in lock step with Gov. Mitch Daniels' local government reform. Yeah, Tom Terrific says, we don't need three county commissioners, and we ought to have a county administrator who would appoint other county officials. And even though North Township Trustee Frank Mrvan Jr. backed him for chairman, Tom Boy said we ought to eliminate the trustees as well. When questioned back home about his comments, he said he offered that up for the folks downstate to help his run for governor. Duh. We no longer are in the horse-and-buggy era, and what you tell someone 150 miles away will come back to haunt you in a split second. So, two days after being elected chairman, Tommy the Gun is advocating the reorganization of county government without contacting the folks who elected him. ❖



**Mark Bennett, Terre Haute Tribune-Star:** If you're reading this online, I apologize. You deserve news writing worth paying for. Instead, this industry wounded its value in recent years by giving away its product, which happens to be a cornerstone of democracy. The contents of the Tribune-Star, and almost every other U.S. newspaper, can be found on the Internet for free. As a result, lots of people don't respect us in the morning. At least, not enough for them to buy a hard copy of their local paper. Of course, it was the unforgiving recession that crimped or erased sources of advertising revenue and placed the newspaper business in some peril. Readership remains decent. The problem is, any growth in readers primarily comes through free-access Web editions. Newspaper journalism shoulders much of the responsibility granted through that freedom of the press. Yet we've placed this cultural institution in an easy-come, easy-go predicament. Just 43 percent of Americans think losing their local newspaper would hurt civic life in their community "a lot," according to a sad Pew Research Center survey released this month. Only 33 percent said they would miss their local paper if it closed. However, the content produced by news-

papers remains in high demand. The number of Americans who regularly go online for news — largely generated by mainstream media sites — jumped 19 percent in the past two tumultuous years. We just haven't figured out how to make a profit on that. ❖

**Stephanie Salter, Terre Haute Tribune-Star:** Earlier this month at the annual Hoosier State Press Association meeting, Mitch Daniels offered to help the organization find ways to aid the struggling newspaper industry. One sentence of his address echoes the warning many of us MSM folks have been trying to get across in the swirl of unprecedented change. "We should never overlook what newspapers mean to a free society," Daniels said. ❖

**Sylvia Smith, Fort Wayne Journal Gazette:** Greed — and the indignation it provokes — dominated the headlines out of Washington last week as lawmakers echoed their constituents and bellowed something akin to "Boo, hiss to AIG bloodsuckers." The outrage crowded out just about everything else Congress did. Fortunately, however, 75 percent of the House put aside their fury for a bit and did something good for the country. The legislation — passed with the support of Rep. Mark Souder — would more than triple the size of national service programs such as AmeriCorps and create others. It was the Capitol Hill response to President Obama's call, in his first speech to Congress, for "a renewed spirit of national service for this and future generations." ❖

**Matt Tully, Indianapolis Star:** It hasn't taken new state schools chief Tony Bennett long to start the political equivalent of a few high school cafeteria food fights. He's been in office less than three months but already has generated a long list of headlines and several controversies. In recent weeks, Bennett has talked about having the state take over failing schools and irritated school administrators by announcing plans to make it harder for them to reach the number of required school days. He cleared out many longtime Department of Education staffers shortly after taking office on Jan. 12 and has drawn flak for his handling of new, tougher ISTEP tests. Bennett has been hailed by some as a much-needed reformer and labeled by others as a guy who needs to be more collaborative and more supportive of traditional public schools. One thing is clear: He isn't worried about offending the education establishment — the unions, school administrations and even parents. "We believed coming in there had to be a sense of urgency to the question of how we provide a world-class education in the state of Indiana," Bennett said as we chatted at the Statehouse this week. "This is about the kids; I have very little interest in adult-centered discussions." ❖



## Clinton says U.S. drug war has failed

MEXICO CITY - Secretary of State Hillary Rodham Clinton traveled to Mexico on Wednesday with a blunt mea culpa, saying that decades of U.S. anti-narcotics policies have been a failure and have contributed to

the explosion of drug violence south of the border (**Washington Post**). "Clearly what we've been doing has not worked," Clinton told reporters on her plane at the start of her two-day trip, saying that U.S. policies on curbing drug use, narcotics shipments and the flow of guns have been ineffective. "Our insatiable demand for illegal drugs fuels the drug trade," she added. "Our inability to prevent weapons from being illegally smuggled across the border to arm these criminals causes the deaths of police, of soldiers and civilians."



## Dems embrace Obama budget

WASHINGTON - In a spring-time show of unity, congressional Democrats welcomed President Barack Obama to the Capitol on Wednesday and unveiled budget blueprints that embrace his key priorities and point the way for major legislation this year on health care, energy and education (**Associated Press**). Even so, both the House and Senate versions lack specifics for any of the administration's signature proposals. And Democrats decided to cut spending — and exploding deficits — below levels envisioned in the plan Obama presented less than a month ago. Administration officials and congressional leaders said any differences were modest. "This

budget will protect President Obama's priorities — education, energy, health care, middle-class tax relief and cut the deficit in half," Senate Majority Leader Harry Reid, D-Nev., said after the chief executive met privately with rank-and-file Democrats. Earlier, White House Budget Director Peter Orszag told reporters the congressional budgets "may not be identical twins to what the president submitted, but they are certainly brothers that look an awful lot alike."

## Clay Jr. loses contract

GARY - Gary Mayor Rudy Clay says his son's nearly \$40,000 contract to do video recording and editing for the Gary Sanitary District has been rescinded (**Post-Tribune**). The mayor is special administrator for the Sanitary District, which gave Rudy Clay Jr. the \$39,960 contract earlier this month. The contract was to run until the end of the year. The Mayor said Wednesday that the people of Gary come first and his son feels the same way. The sanitary district is asking the state for financial help.

## Buyer seeks VA probe

WASHINGTON - On Monday, House Committee on Veterans' Affairs Ranking Member Steve Buyer made a verbal request for an immediate investigation and brief regarding concerns over possible systemic problems regarding Department of Veterans Affairs (VA) training and reprocessing procedures on medical equipment (**Howey Politics Indiana**). On Tuesday, Buyer requested all information and results of the Miami VA Medical Center (VAMC) self assessment, which was performed in accordance with the Department's February 9, 2009 directive to conduct a thorough stand-down and review of all endoscopic procedures. Buyer sent a formal request to VA Inspector General George Opfer regarding the recent acknowledgement by VA that it potentially exposed over three thousand veterans to endoscopic

equipment that was not properly cleaned and disinfected.

## Dr. Klopfer in abortion crosshairs

INDIANAPOLIS - Lawmakers on Wednesday wrestled with whether one doctor's alleged problems with abortion complications in Fort Wayne are enough to justify legislation further regulating all doctors providing abortions statewide (Kelly, **Fort Wayne Journal Gazette**). In an emotional moment during the House Public Policy Committee meeting, Rep. Matt Bell, R-Avilla, read written testimony about the case of a Fort Wayne woman who had fetal tissue left inside her after an abortion performed by Dr. George Klopfer. The Illinois doctor performs abortions at the Fort Wayne Women's Health Organization and in South Bend and Gary. "How many more women in my community have to go through this?" he asked. But Betty Cockrum, president and CEO of Planned Parenthood of Indiana, pointed out that abortions statistically have a low complication rate and that the last recorded abortion-related death in Indiana was in 1979. In comparison, four women died in Indiana after pregnancy complications in 2006, she said. "If there is a problem with a doctor in Allen County, there is a process in place to deal with him," Cockrum said.

## Feticide bill moves in House committee

INDIANAPOLIS - Legislation moving through the Indiana House would lengthen prison terms for those who murder or attempt to murder a pregnant woman and cause the death of her unborn child (**Associated Press**). The House Public Policy Committee on Wednesday unanimously approved the bill inspired by the shooting of an Indianapolis bank teller last year. ❖