



Behind scenes as Butch resigns

Morgan's quick resignation, fed probe decline fuels anger from supporters

By **BRIAN A. HOWEY**

INDIANAPOLIS — Butch Morgan had decided to step down as chairman of the St. Joseph County Democratic Party, fearing he would be a "distraction" to mayoral nominees and city council candidates in South Bend and Mishawaka after the South Bend Tribune and Howey Politics Indiana broke the story on Oct. 9 that a number of Clinton and Obama 2008 presidential ballot petitions had allegedly been forged. That was the story that Indiana Democratic Chairman Dan Parker said played out on Monday.

However, the four-hour delay between the statement released to the South Bend Tribune by Parker and Morgan's resignation letter occurred when those around Morgan urged him to simply take a "leave of absence."

Informed and reliable sources tell HPI that while the Indiana Democratic Party released late Monday afternoon a draft resignation letter that had been drawn up by Morgan loyalists Monday, the embattled party chair was at



a Mishawaka location where Vice Chair Debbie Ladyga-Block and others were urging Morgan to take the leave of absence.

Shaw Friedman, who is former Legal Counsel for the Indiana Democratic Party and who serves as one of Morgan's attorneys, declined to be interviewed for this story. However, he was described as "furious" at Parker's continuing insistence on a resignation by one insider with knowledge of the day's events, concerned that the resignation would cast Morgan in a "bad light" considering that the chairman repeatedly insisted to his attorney

he personally had no role in the forgeries. That insider said that Friedman made comments to individuals during the day that the only currency in politics worth anything is "loyalty and competence" and that Parker was "lacking in both."

With federal District Attorney David Capp declining to investigate at the request of Indiana Republican Chairman Eric Holcomb, those passions on behalf of Morgan are being fanned further this morning.

Continued on page 3

The art of the negative

By **MARK SOUDER**

FORT WAYNE - Alice Roosevelt Longworth once said: "If you haven't got anything good to say about anybody, come sit next to me." That pretty much describes today's voters.



In the Fort Wayne mayoral race, we have two pretty pleasant people running against each other. Tom Henry seems like the perfect bartender for his wife's Green Frog Tavern, nodding his head and smiling in agreement no matter what you say. Paula Hughes always seemed like a person who would found an Optimist Club or help the Jaycees



"Yeah, it was a lot of money for myself, but I'm not afraid to say I stand up for my values, not just with my rhetoric, but with my wallet as well."

- Treasurer Richard Mourdock, on loaning his campaign \$100k



Howey Politics Indiana

is a non-partisan newsletter based in Indianapolis. It was founded in 1994 in Fort Wayne.

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Subscriptions

\$350 annually HPI Weekly
\$550 annually HPI Weekly and HPI Daily Wire.

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promote a new slogan for Fort Wayne ("the city of excitement"). Now they are growling pit bulls. What happened?

I know this hasn't happened in Indianapolis or other cities. Actually, the only places that don't have negative campaigning will be easy to find: 1) one candidate is significantly ahead 2) the candidate who is behind doesn't realize it or 3) the loser realizes it is hopeless so why not go out smiling.

Negative campaigning is hardly new. John Adams wanted to be King, taking away all the rights Americans had just died for because he was an egomaniac, according to Jefferson's supporters. Of course Jefferson was an atheist, Francophile who slept with his slaves. Actually that part about Jefferson has more than some truth to it, which is one reason negative ads work. Negative ads bring out the things the candidates themselves would rather stay buried.

To expect the candidates to discuss their weak points is like an employer asking a potential new hire to describe his weaknesses: "Some people say I work too hard, others claim that I fail to take credit for my successes, and, honestly, sometimes I use too many paper clips." What are you supposed to say: "Other than a few failed drug tests and some internal theft problems, I've always been an exemplary employee."

A foreign visitor not familiar with American politics, after watching television in Fort Wayne for a few hours would likely comment: "They really don't like taxes here, do they?" An experienced political expert, watching the same television might comment: "Polling must have shown that taxes are quite unpopular here."

Here is a synopsis of the current campaign. Hughes won the primary bashing incumbent mayor Henry for raising taxes and spending too much. In August Henry started running ads claiming Hughes raised

taxes 10 times while on the county council, or advocated passing some while head promoter of downtown, or maybe just paid some taxes, but anyway, Hughes has seldom met a tax she didn't like. Hughes then fired away, calling Henry a liar and the biggest spender and tax hiker Fort Wayne has ever seen. Henry's new ad calls Paula the tax-hiker a liar, shows her flipping back and forth as she smears the mayor who is working hard for us. No wonder so many people are inspired.

But are they bad strategies? Look at the situation of poor Tom. The city could be in worse shape, he's done little wrong, they may actually build some apartments at controversial Harrison Square, GM has grown from 2,300 to 4000 jobs at the Silverado/Sierra pick-up plant at a time when most cities are crying for jobs, the crime rate is down and the school scores have improved.

He has two problems: 1) He's an incumbent and 2) He's a Democrat in 2011. So he could smile and fold his hand, or trash his opponent. He enjoys his job, so he went negative.

Female candidates, and Hughes would be the first female mayor of Fort Wayne if elected, still have to overcome some challenges when running for executive positions. We have two talented female mayors in our region, Suzanne Handshoe of Kendallville and Patty Fisel of Ligonier. But the road was not easy for either one. In Allen County we've had tough female leaders in the Republican Party since early on in my involvement. Gloria Goeglein drove fellow Republicans crazy as auditor. Sandy Houlihan was pictured by the media as the Grinch in a dress. City Councilwoman Liz Brown goes after anything that has at least three letters of the word "waste" in it and the media calls her mean. Tough leadership by women is not as tolerated by some as when it comes from men. Neither are negative ads.

That is why Paula Hughes



strategy is so unique, and why I tend to think that on top of having the "R" line, she may in fact be pulling away in this race in spite of Fort Wayne being in relatively decent shape and Tom Henry not really making anyone mad.

In the primary, Hughes used popular Sheriff Fries to add credibility to her campaign. Not exactly "touchy, feely." Paula's wonderful smile was backed up by the Sheriff. I don't know whether he actually wore a gun in the ads but most would swear he did. And he looks like a young Clint Eastwood of early days ("Man, I'm trying to eat here but if I have to blow you away, I will").

This fall campaign she is using state auditor Tim Berry. He won't be mistaken for Clint Eastwood. But the man can fight with his pen. He's been county treasurer, state treasurer, and state auditor. Tom Henry says Fort Wayne is fine. Paula Hughes says our debt load is terrible.

Butch, from page 1

HPI was able to piece together the events leading up to the resignation by talking with two reliable sources, one in Indianapolis and one in South Bend who were privy to the conversations that occurred between the principals involved.

Late Monday afternoon, Parker confirmed Morgan's resignation in a statement to the South Bend Tribune. Parker, a long-time associate of former Sen. Evan Bayh, issued the following statement: "The Indiana Democratic Party has been notified of Butch's resignation. We continue to support the ongoing investigation to determine how this isolated incident occurred and hold anyone involved accountable. On a personal note, I have known Butch for nearly two decades, and I want to thank him for his long-standing commitment to the Democratic Party, its candidates, his community and our State."

"Butch understands the party is more than one person," Parker told HPI on Tuesday. "Unlike (Secretary of State) Charlie White, he knew he would be a distraction. He knew he had to get out of the way so that candidates could get their message out."

While South Bend mayoral nominee Peter Buttigieg is a heavy favorite to win on Nov. 8, State Rep. Craig Fry is in a tight race against Republican Mishawaka Mayor Dave Wood.

Parker said that Morgan had "agreed all day" to resign. "I spoke to him at 2:30 and 4:30. He said, 'This is what I'm going to say.' He didn't want anyone to infer that he had done anything wrong," Parker said. "A lot of his loyal aides tried to change it from resigning to a leave of absence."

He issued his statement Monday night after several

Let's bring in a neutral ref, Tim Berry the numbers man. Tim is in the Hughes ad not just saying that Tom Henry is wrong (well, lying) but showing a very impressive chart!

Unless something else happens, the Tim Berry ad – with chart – wins the lying debate for Hughes side. Worse yet for the Democrats, the more times you see the Hughes/Berry ad, the more convincing it is. And, just for the record, Tim and Paula are correct.

People always say that they don't like negative ads but I bet they don't even remember the excellent ad that Tom Henry did with the famous extended Henry family and his successes. Successes? Who cares? Give me some gossip! ❖

Souder is a former Republican member of Congress.

confusing hours during which state Democrats were reporting his resignation and Friedman was saying Morgan was merely considering a leave of absence.

The South Bend source told HPI that as early as last Friday, Parker was concerned about the impact the Tribune/HPI revelations would have. "Somebody has got to go," Parker reportedly said in a Friday Oct. 14 phone call, targeting Pam Brunette, the Democrat in the VR office.

Parker was aware that on Sunday, the Tribune was preparing to report that Dustin Blythe, 37, had a handwriting match to the forged petitions. The Tribune had by matched the handwriting on his voter registration card and two political petitions with that on nine suspicious pages from the Obama petition. The analyst, Erich Speckin, concluded that all of the printing on the nine pages definitely is Blythe's, and the signatures likely are his, as well. "That's speaking only forensically," Speckin said. "That doesn't even address the common sense that if he is definitely the one who printed all of the other information and he is most likely the one who signed them, he is that much more likely to be the guy. It's just common sense."

An Indianapolis source told HPI that Saturday evening, Parker talked to Bayh, alerting the former senator and governor that a damaging story was going to be published on Sunday. The source said that Bayh advised Parker to "take a deep breath, step back," and "and don't make a decision like this at night." Parker told HPI on Tuesday and reiterated again this morning that his only interaction with Bayh came in a Sunday phone call alerting him to Morgan's pending resignation on Monday. "I did call Evan Sunday to tell him Butch was resigning. They've been friends forever," Parker said.

On Sunday, the South Bend source said that Morgan was not going to resign. Sources tell HPI that on Sunday, a conference call took place between Morgan,



Parker, Democratic counsel Sarah Riordan and South Bend attorney Bill Stanley, who is co-counsel with Friedman. The source said that Parker told Morgan, "You need to resign."

But Morgan was telling his counsel, Friedman, "I've done nothing wrong," and assuring those close to him he was not resigning.

The sources said that Parker reiterated calls for Morgan to step down Monday morning, which was apparently followed by a series of calls between Friedman and Riordan. By mid-day, Morgan asked an aide, Troy Warner, to put together a draft resignation letter and it was circulated to other Morgan loyalists, but also ended up at the Indiana Democratic Party.

Sources tell HPI that it was that draft that prompted Parker to announce that Morgan had resigned late Monday afternoon while Morgan was sitting down his allies in Mishawaka. Parker issued the press release to the Tribune.

Friedman, sources said, contacted Riordan, telling her it was premature and that the party needed to walk the resignation announcement back. Friedman reportedly told Riordan that a resignation put Morgan in a bad light and asked if she and Parker would consider a leave of absence. Instead, Parker released the unsigned draft release to South Bend press, indicating Morgan had resigned.

Morgan reportedly told those in Mishawaka that since the draft release was already in circulation, there was no way to consider the leave of absence. He decided to issue a signed resignation letter and it was faxed at 9:46 p.m. The Tribune posted it on the newspaper's website minutes later. HPI received a copy of Morgan's letter around midnight.

The letter released to the Tribune by Morgan (see above) wrote, "I regret having to resign and hope no one will misinterpret the reasons for my resignation. I have done nothing wrong and I look forward to an investigation that will exonerate me of any wrongdoing. It has been an honor for me to have served in these capacities. I have worked hard to elect outstanding men and women to public office. In the midst of recent controversy, it is best that I not be a distraction to the efforts of candidates who are running for office in the current municipal elections."

Parker said this morning, "Ultimately his decision to step down was what we saw in his statement. At the end of the day, Butch put party before himself."

Parker added that he did not want to "divulge personal discussions" and added, "A lot of the information you have is incorrect. A lot of this stuff, it seems to me, is coming from friends who are very loyal to him. Butch knows

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Media Release
October 17, 2011

With regards to my position as St. Joseph County Democratic Party Chair and Second District Party Chair I was asked by local party leaders and friends to consider different options, including a leave of absence.

After consulting with the Indiana Democratic State Party, I am stepping down as Chairman of the St. Joseph County Democratic Party and as Chairman of the Second District Democratic Party effective today Monday October 17, 2011 at 11:00pm.

I regret having to resign and hope no one will misinterpret the reasons for my resignation. I have done nothing wrong and I look forward to an investigation that will exonerate me of any wrongdoing.

It has been an honor for me to have served in these capacities. I have worked hard to elect outstanding men and women to public office.

In the midst of recent controversy it is best that I not be a distraction to the efforts of candidates who are running for office in the current municipal elections.

The St. Joseph County Democratic JJ Dinner that was set to take place on Thursday October 20, 2011 will be rescheduled for after the November 8, 2011 elections. The party will be working with caterer Marv Moore to choose a new date. All tickets that have been purchased will be honored for the rescheduled dinner.

Butch Morgan

the real story."

Hammond Mayor and Lake County Democratic Chairman Thomas McDermott Jr., called Morgan's resignation "shocking" and defended him, saying that in a presidential election year, "A lot of stuff happens below. It's impossible for a chairman to keep tabs on everything. It could easily have happened to me. I'm absolutely stunned. Butch loves being a Democrat, loves his role. Butch wouldn't give that up voluntarily. Someone obviously pulled the trigger on him."

Friedman issued a statement to the South Bend Tribune, which posted it around 11 p.m., saying, "While Butch was considering various options until late this evening that included a 'leave of absence' he has concluded after conferring with state party that remaining on in any capacity would be an unwanted distraction for candidates in the upcoming city elections. Accordingly, he has just issued a formal letter of resignation tonight as both district chairman and county chairman. Butch Morgan has done nothing wrong and did not personally authorize, direct or condone the forgery or alteration of petition signatures. Furthermore, he intends to vigorously oppose any claim of wrongdoing but does not want this ongoing controversy to



hurt the party that he cares so much about.”

On Tuesday, Donnelly released a written statement saying, “Butch Morgan’s decision to step down was essential and one I agree with. I fully support the investigation taking place and anyone found responsible should be prosecuted. Voters need to be able to have faith in their political process.”

Block reacted by saying, “He’s, like I said, dedicated his life to the party and to the voters of St. Joseph County and I do think it’s a sad day, and I think that it’s not deserving. I also feel that people that know Butch that truly know Butch, they know that he is a good, kind, Christian, honest man, so we’ll just go from there.”

Block, in becoming interim chair, has a 30-day window to call for a caucus to fill out the rest of Morgan’s term, which runs through March 2013. Parker said that Donnelly and Buttigieg will support State Sen. John Broden for that position, though Parker acknowledged that Morgan could seek to fill the position. “There is no prohibition in that,” Parker said.

Donnelly is supporting his 2010 campaign manager and Buttigieg’s current campaign manager, Mike Schmuhl, for the 2nd CD chair. “I appreciate the encouragement I’ve received from Congressman Joe Donnelly, Pete Buttigieg, Brendan Mullen and community leaders who have shown their early support,” Schmuhl said. ❖

Feds pass on petition probe

By ERIN BLASKO
South Bend Tribune

SOUTH BEND - The U.S. Attorney for the Northern District of Indiana will not investigate alleged fraud regarding the submission of petitions to place Barack Obama and Hillary Clinton on the 2008 Indiana primary ballot, according to a press release issued by the county prosecutor’s office.

“My discussions with the U.S. Attorney ... as to whether their office would be able to complete this investigation were concluded today with the response that the U.S. Attorney does not investigate allegations of fraud in the submission of petitions,” Prosecutor Michael Dvorak said in the release.

“They do, however, investigate fraud in voter registration, the actual voting process, and in the tabulation of ballots,” he said. The prosecutor’s office has since asked Indiana State Police to assist in the investigation, according to the release, “and I expect the same support from the State Police as I have received in previous investigations of other matters where our office sought their assistance,” Dvorak said.

The prosecutor’s office began looking into the Obama and Clinton petitions earlier this month in response

to an investigation by The Tribune and Howey Politics Indiana that uncovered hundreds of fake signatures on the two documents. The Tribune has since linked Dustin Blythe, a Democrat appointed to the county voter registration office, to some of the fake signatures on the Obama petition. ❖

Democrats probe McCain petitions

INDIANAPOLIS - Indiana Democrats are sifting through petitions required to place John McCain’s name on the ballot. They say they found irregularities including what looks like a forgery of the clerk’s signature in Boone County. They’re not done researching signatures. “But based on what we’ve seen today,” says State Democratic Chairman Dan Parker, “if you looked at them one by one, he did not have enough to qualify in the 4th Congressional District.” That means he didn’t have enough to qualify statewide. Parker said this morning there were Tippecanoe County McCain petitions that did not have the signature of Republican Voter Registration member Heather Maddox “and some had no signature at all.” He said in Boone County, a Republican’s signature “changed over time.”

Back in 2008 there were questions about McCain making the ballot deadline and he addressed them during a February 2008 campaign visit. “I will rely on the governor heavily to make sure I am on the ballot,” said McCain at the time, “and knowing his efficiency I’m sure that he can do that.”

Parker told HPI this morning that “the point of this is not to rewrite history. The point was that there are problems with the process.” ❖

Curry turns down Charlie on Bayh

INDIANAPOLIS - Marion County Prosecutor Terry White has rejected a complaint from Indiana Secretary of State, Charles White. “We have reviewed the materials delivered to this office by Charles White,” Curry said. “In those documents, he requested that the Marion County Prosecutor’s Office seek the appointment of a special prosecutor to investigate his allegations of voter fraud by Evan and Susan Bayh. We decline to grant Mr. White’s request to appoint a special prosecutor.”

“As to Mr. White’s allegations of improper voter registration, Mr. White does not include allegations that would lead one to conclude that Evan and Susan Bayh intend to abandon their Marion County residency,” the statement said. “In essence, Mr. White alleges that Mr. and Mrs. Bayh have committed voter fraud by voting in the May, 2011, Indiana primary because they maintain residences in both Washington, D.C., and Marion County, Indiana. The mere fact that a person maintains a residence in a state other than Indiana – even if the out-of-state property is more valuable than the Indiana property – is insufficient.” ❖



With Bayh and others receding, Hoosier Dems looking at big changes

By **BRIAN A. HOWEY**

INDIANAPOLIS - Evan Bayh is gone, at least for now. So are former mayors Bart Peterson of Indianapolis and Graham Richard of Fort Wayne, and South Bend's Stephen Luecke along with Evansville's Jonathan Weinzapfel are on their way out.

Out of public office with no sights set on future elections are former congressmen Baron Hill and Brad Ellsworth. Gary Mayor Rudy Clay, the former Lake County Democratic chair, is battling cancer and leaving. Bob Pastrick has retired and is fighting civil suits, Stephen Stiglitz and Julia Carson are dead. And now long-time St. Joseph County Chairman Butch Morgan has resigned in the wake of the forged petition scandal stemming from the 2008 presidential elections.

The Indiana Democratic Party is going through a sea change in its hierarchy that since 1988 has been dominated by the Bayh political machine.

Morgan was a key cog in the Bayh operations. He was one of the last longtime county party bosses. The St. Joseph County Democratic headquarters is across the street from the courthouse and multiple sources say that while Morgan, who took the reins from long-time chief Ken Fedder in 1995, never held elective office, he was the driving force behind the Democratic Party's dominance in county politics. A South Bend Tribune attorney had to recuse himself from the Tribune/HPI ballot petition forgery case because of Morgan's association with county government, which presented a conflict of interest.

The days of the long-time party boss may be over for Hoosier Democrats, just as the Keith Bulens, John Sweezey, Orvas Beerses and Buena Chaney have essentially ended for the Indiana GOP. Allen County Chairman Steve Shine, who won office in 1993, is now the longest-

serving county chair on the Republican ledger.

Morgan filled a similar, big county role for the Democrats. But the South Bend Tribune reported on Thursday that Morgan's grip on the levers of power in county politics already had begun to slip. In May of 2010, John Botich, his choice to replace outgoing Sheriff Frank Canarecci, lost in the Democratic primary to eventual winner Mike Grzegorek, a detective assigned to the county's metro homicide unit. Then, in May of this year, county Councilman Mike Hamann, his choice to replace outgoing South Bend Mayor Stephen Luecke, lost in the same primary to upstart Pete Buttigieg. In between, Penn Township Trustee Jeff Dean, indicted on suspicion of ghost employment involving his secretary and live-in girlfriend, publicly refused Morgan's call to resign.

Sources tell HPI that before Morgan's reelection as chair in 2009, 8th CD Chair Anthony Long and National Committeeman Dean Boerste had advised Morgan not to seek another term as county chair, but to hold on to the 2nd CD. It is an unpaid position and Morgan presided over county government as a powerful but benevolent godfather.

When you survey the Democratic horizon, Long of Boonville has been on the scene for decades, as has Boerste, former Perry County Democratic chair and current Democratic National Committeeman. Mike Jones has chaired the 9th CD and now the 6th CD for much of the past two decades. The current 9th CD chair, Wayne Vance, hasn't held that position long, but served as

chief of staff for former U.S. Rep. Lee Hamilton for many years. And there is Marion County Democratic Chairman Ed Treacy, who returned to power several years ago. While Treacy has told HPI he maintains good relationships with mayoral nominee Melina Kennedy and U.S. Rep. Andre Carson, blog reports and several HPI sources say there have been tensions on both fronts.



House Minority Leader B. Patrick Bauer with former St. Joseph County Chairman Butch Morgan. Both say their clout diminishing prior to this week's events. (South Bend Tribune Photo)



Other than Treacy, those chairs came from smaller counties and did not have the urban clout that Morgan had until he resigned this week.

Even though Bayh abruptly decided not to seek reelection to the Senate in 2010 and then declined to run for governor in 2012, many avenues of power and clout still run through him. Bayh is a close ally of John Gregg, 2012 gubernatorial nominee in waiting. Indiana Democratic Chairman Dan Parker, who has been in that position for seven years at the behest of Bayh, serves as his eyes and ears. Like Morgan, however, his long tenure has brought with it a growing list of detractors and enemies.

Parker notes that while indicted Secretary of State Charlie White tried to accuse Bayh of voter fraud, Bayh and former First Lady Susan Bayh have always kept Indiana drivers licenses. They don't take a homestead exemption on their Virginia home. They pay Indiana property taxes. "After the boys graduate from high school, their intent is to live in Indiana," Parker said.

So Bayh will continue to be a force in Democratic politics, though, sources say, he is not nearly as engaged as he was when in office, leaving Parker more autonomy. At August's Indiana Democratic Editorial Association convention, Bayh golfed and met with Gregg, Donnelly, Morgan, Boerste, Parker and others. Donnelly characterized it as "reliving old stories," but lost on no one is that Bayh is maintaining his influence, even if it's been turned down several notches.

Thomas McDermott Jr., Hammond mayor and Lake County Democratic chairman, adds, "Evan Bayh is active because of his presence and he has a \$10 million purse. He may not live here anymore, but Dan Parker is very, very loyal. Absolutely Evan Bayh is still relevant."

Some of that will shift should either Gregg or U.S. Rep. Joe Donnelly win either the governorship or the U.S. Senate seat in 2012. "John Gregg is the perfect person for us," McDermott said. "He will become that leader if he becomes governor. Right now we have no leader like that. We're like a pack of Indians. We don't have the one guy who can make the phone call."

While there has been a post-Bayh void on the ground, that's not to say Indiana Democrats didn't play their cards wisely despite the atrophy at the top of the food chain and the stunning losses the party took on education reform, labor and abortion rights in the 2011 session of the Indiana General Assembly, where House Minority Leader B. Patrick Bauer maintains diminishing power.

Parker was able to convene every five or six weeks the key party players that included McDermott, Weinzapfel, Carson, Donnelly, Hill, Ellsworth, Bauer, Senate Minority Leader Vi Simpson, Dr. Woody Myers, former Lt. Gov. Kathy Davis, former Lake County Sheriff Roy Dominguez and Jim Schellinger. That group – many of whom did not know each other personally – gradually sorted out the gubernatorial and Senate races.

Gregg and Simpson were the last ones interested in the gubernatorial race. "I remember sitting at the table and people kept taking themselves out," Parker said. "I was afraid we wouldn't have any candidates left." Donnelly and Myers worked out the Senate race with Donnelly emerging there.

From there, Donnelly and Gregg won unanimous endorsements of every Congressional District, with the 9th CD the final one in August, and then the Indiana Democratic Cen-

tral Committee endorsed both candidates in French Lick. That will keep the Democrats from repeating the Jill Long Thompson-Schellinger primary that left the party split and Thompson broke on her way to an 18% drubbing by Gov. Mitch Daniels.

Bauer presided over the House Democratic campaign in 2010 that brought about much criticism for the tactics he used, and he watched his majority cave from 51 seats to 40. With State Reps. Craig Fry and Dennis Tyler running for mayor of Mishawaka and Muncie, and the retirements of State Reps. Dale Grubb and Bill Crawford, Bauer's House Democrats are still under a severe squeeze and his grip on House leadership is not as secure as it was two years ago.

That comes following the 2010 retirement of Vern Tincher and Dennis Avery and the defeat in 2008 and 2010 of Bill Cochran, Bob Bischoff, Trent Van Haaften, Nancy



8th CD Chairman Anthony Long is one of the last of the Democratic lions. (HPI Photo by Brian A. Howey)



Michael, Ron Herrell, Joe Pearson, John Barnes and Paul Robertson. On top of that, several House incumbents (Reps. Chet Dobis and Vernon Smith and Reps. Dan Stevenson and Maria Candelaria Reardon) are facing each other in 2012 Democratic primaries. State Rep. Peggy Welch faces a tough general election battle against Republican State Rep. Ralph Foley and State Rep. Kreg Battles is pitted against Republican State Rep. Bruce Borders. State Rep. Jeb Bardon is retiring after being drawn into a district with State Rep. Vanessa Summers. State Reps. Scott Reske (5th CD) and Mary Ann Sullivan (SD36) are running for other offices.

To be determined are Indiana's big cities. Fort Wayne Mayor Tom Henry is in a tough race, as are Indianapolis mayoral nominee Melina Kennedy and Evansville mayoral nominee Rick Davis. Victories by Kennedy and Davis would open new leadership in the party's main media market and in its southwest pocket and could produce leadership changes in the county parties.

There is a cadre of Democrats who many people HPI talked with view as potential future leaders: LaPorte's Shaw Friedman; Tim Jeffers, who has been close to Bayh; Bauer, Schellinger and Gregg; Joe Champion, who is also a key Gregg confidante; and Shawn Mulholland.

Mayor McDermott is expected to easily win reelection after a close battle in 2007. Treacy has played a key role in Kennedy's campaign and is seen by many as one of the top Democratic chairs. "Ed is playing a bigger role," said McDermott, who adds, "I think he's been minimized. A lot of what I do in Lake County I am emulating from Ed." McDermott also cited LaPorte's Shaw Friedman as a key future operative. And former state chairman Robin Winston maintains influence among mayors and emerging figures like Gregg.

McDermott finds himself in a unique station. After years of battles among mayors of East Chicago, Gary and Hammond, McDermott finds himself on the same page with East Chicago Mayor Anthony Copeland and Gary mayor-in-waiting Karen Freeman-Wilson, the former Indiana attorney general. "Even when Stig and Pastrick were in power there was always that division," McDermott



Marion County Chairman Ed Treacy with Indiana Chairman Dan Parker at an HPI Forum several years ago. (HPI Photo by Brian A. Howey)

said. "It's easy to get along now because the Republicans are such a threat. If we don't get along, we'll just be eliminated."

Indiana Democrats are seeing a generational change-over. While many of the biggest names and prospects of a generation are now retired or on the sidelines, there has been success in asset

management. If Gregg and/or Donnelly win in 2012, a new pecking order will be established. If they don't, the party may look to Evan Bayh in 2016 to revive its fortunes once again. ❖

The Washington Post

SATURDAY, DECEMBER 29, 2007

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

HOWEY
Politics Indiana



Mourdock's anemic money continues, but 527s could bail him out

By **BRIAN A. HOWEY**

INDIANAPOLIS - Richard Mourdock's U.S. Senate campaign is raising money at a clip of about \$369,000 per quarter. If you take out the \$100,000 he loaned his campaign in this last 3rd Quarter, the total comes down to \$319,000.

If he were to continue at that pace, he's looking at around \$1.2 million to spend on his May 2012 primary challenge to U.S. Sen. Dick Lugar. And when you're talking about running a statewide campaign, that's a paltry sum, more akin to an attorney general or treasurers race than attempting to knock off an incumbent U.S.



Senator, who will almost certainly be in the \$5 million to \$6 million strata.

In 2010, it was the poor fundraising of Marlin Stutzman, Don Bates Jr., John Hostettler and Richard Behney that brought Dan Coats back to Indiana.

Of course, we know what will likely happen. Mourdock has already attracted the endorsement of the Tea Party Express, who gave him a \$2,500 check last month. On Friday, FreedomWorks comes to the state for an official endorsement. As other Tea Party targets like Sens. Orrin Hatch and Olympia Snowe have fallen by the wayside, the Mourdock-Lugar race looks to be the only chance for the Tea Party to knock off a sitting U.S. Senator.

The national Tea Party groups raised \$79 million last year and are on pace to raise \$156 million in 2011-12, to what Politico describes as laying the groundwork for what could be a massive Tea Party organizing push against Democrats and the occasional moderate Republican in 2012. FreedomWorks intends to raise \$45 million this year and next, including funds for a super PAC it started this month called FreedomWorks for America, which can accept unlimited individual and corporate donations.

So what Hoosier voters are in store for next year is a flood of Super PAC and 527 money aimed first at Lugar, and then Democrat U.S. Rep. Joe Donnelly. The news media - or what's left of it - and voters will have virtually no information about who is funding these campaigns. And that's the way Terre Haute attorney Jim Bopp, who has pushed ardently against any kind of transparent campaign

finance laws, wants it. Bopp is an Indiana GOP national committeeman who is backing Mourdock.

We've seen the big 527 expenditures being aimed at Donnelly and former congressman Baron Hill over the last several election cycles. Voters will soon be confronted with the scary music, grainy images and dubious statistics aimed at "liberal" targets.

And that will be Mourdock's political lifeline. Mourdock likes to think of himself as an outsider seeking to save Washington. In reality, he's been a virtually perennial candidate - having run 11 campaigns since 1988 - who has already lost three Congressional races. In an era without the 527s and Super PACs, he would likely be another quixotic dreamer with little or no chance to win a seat in Washington.

His strategy since he launched his campaign last February was to impress the Tea Party groups and raise enough money to entice the secretive groups into his fold. And he just barely did that. The national Tea Party groups were slow to come in because Mourdock has been unimpressive in early sit-downs, and equally squishy when it comes to raising money.

It's fascinating that with all the talk that it's time for Lugar to be put to pasture, the money has not followed, not even the disclosed individual, corporate and PAC donations that normally fill a campaign war chest.

The Hotline noted earlier this week that Mourdock was a big third quarter FEC "loser," saying: Mourdock has been no stranger to fundraising struggles in 2011 and his lackluster pace continued in the third quarter, when he raised just \$438,000, including \$100,000 of his own money. The silver lining during the period for Mourdock is that he picked up some momentum in the form of endorsements from national conservative organizations. But if the nods don't translate to money, they won't mean much for Mourdock, who finished the period with less than 1/10th of what Sen. Richard Lugar had in the bank.

Lugar's \$840,000 for the third quarter was somewhat troubling to his supporters, who noticed that Sen. Hatch raised almost twice as much. And the biggest danger facing Lugar is that Congressional approval ratings have been even more anemic than Mourdock's fundraising. With the economy still tanking and a jobless rate of 9 percent and Congress unable to pass a jobs bill, Lugar could be faced with an anti-incumbency wave. The year 2012 is shaping up to be the kind of year that incumbents wish they weren't on the ballot.

The Mourdock and Lugar campaigns have been pushing back and forth this past week. Lugar pressed Mourdock on how he can loan his campaign \$100,000 when he hasn't paid his property taxes on his Indianapolis home thanks to a duplicate homestead exemption. Mourdock stabbed back by pointing out that Lugar was on the



board of the Roosevelt Institute which has been pushing the Occupy movement. Lugar quickly resigned from that board in what has become a mild embarrassment. Mourdock used the issue to "change the subject" on the financial reports.

"It certainly makes our point that he's been to the left side of the aisle," said Mourdock, "and with the group he was supporting there consistently, they were supporting far left agenda items. So, glad that he resigned, glad he took the action." As for his own \$100,000 contribution, Mourdock told WISH-TV, "Yeah, it is a lot of money for myself, but I'm not afraid to say I stand up for my values, not just with my rhetoric, but with my wallet as well."

But in reality, Mourdock will almost certainly benefit from cloaked money coming from unnamed sources for a chance to win a Senate seat.

And Democrats can hardly wait.

Donnelly noted in an email to supporters: "Thousands of Hoosiers have invested in our campaign and more than a year out from the general election, our resources will only grow as Republicans continue their battle to decide who will be the nominee. Just this morning, the Associated Press reported that the TEA Party movement nationwide has put all of their eggs into one basket: taking out Sen. Richard Lugar. Club for Growth has poured special interest money into attack ads against Sen. Lugar. Extreme groups like the Citizens United Political Victory Fund and the Tea Party Express have rallied around Sen. Lugar's primary opponent. Next week, Dick Armey's Freedom Works, the group that won major primaries for right-wing candidates in 2010, will endorse Richard Mourdock. They spent tens of millions of dollars electing candidates that embrace the partisan environment of Washington and reject reaching across the aisle in order to fix America."

U.S. Sen. Chuck Schumer salivated over a potential Mourdock victory, saying, Democrats could win the seat "depending on the primary outcome." What he meant, wrote Evansville Courier & Press reporter Eric Brader, was the party sees Lugar as tough to beat, but Mourdock as a viable target. **Horse Race Status:** Leans Lugar

Governor: Pence campaigns for locals

If Republican U.S. Rep. Mike Pence is elected governor next year, he's likely to find any allies he has on the local level useful. Those allies are what Pence is working to develop right now, in the lead-up to November's municipal elections (Evansville Courier & Press). He's campaigned in 55 of Indiana's 92 counties this year, and has delivered keynote speeches at 35 Republican dinners. He's headlined 16 fundraisers for candidates, and three more for local party committees. Last year, Pence made multiple swings across Indiana on a bus tour supporting congressional and state legislative candidates. State Sen. Jim Tomes, R-Wadesville, Rep. Ron Bacon, R-Chandler, and Rep. Sue Ellspermann,

3Q FEC Money Totals

United States Senate: Richard Lugar: \$842K Raised, \$3.8 million COH; Richard Mourdock: \$438k Raised, \$300k COH; Joe Donnelly: \$355k Raised, \$874k COH.

HPI Analysis: Another poor money quarter for Mourdock and he has only two more full quarters to go. His only hope is for the national 527s to come in.

2nd CD: Jackie Walorski: \$131K Raised, \$434K Raised This Cycle, \$333K COH; Brendan Mullen: \$153K Raised, \$153K Raised This Cycle, \$146K COH *\$10K from candidate*. **HPI Analysis:** Walorski is off to a strong start and will be an early favorite.

3rd CD: Marlin Stutzman: \$117K Raised, \$260K Raised This Cycle, \$103K COH. **HPI Analysis:** No opponent is even on the horizon.

4th CD: Todd Rokita: \$178K Raised, \$482K Raised This Cycle, \$577K COH. **HPI Analysis:** Again, no opponent.

5th CD: Dan Burton: \$125K Raised, \$276K Raised This Cycle, \$323K COH, Susan Brooks: \$338K Raised, \$338K Raised This Cycle, \$302K COH, David McIntosh: \$322 Raised this cycle, \$293k COH, John McGoff: \$26k Raised, \$133K COH. **HPI Analysis:** Burton has a major problem and not nearly as big a field to divide the challenger vote. A strong anti-incumbency sentiment could put a challenger over the top this time.

6th CD: Luke Messer: \$121K Raised, \$321K Raised This Cycle, \$250K COH, Travis Hankins: \$8K Raised, \$134K Raised This Cycle, \$72K COH, Don Bates: \$19K Raised, \$79K Raised This Cycle, \$45K COH, Brad Bookout: \$6K Raised, \$6K Raised This cycle, \$3K COH. **HPI Analysis:** Messer is emerging as the frontrunner.

8th CD: Larry Bucshon: \$156K Raised, \$420K Raised This Cycle, \$319K COH, Kristi Risk: Did not meet the \$5,000 threshold, didn't have to file. Dave Crooks: \$102K Raised, \$188K Raised This Cycle, \$160K COH *\$50k from candidate last quarter*, Terry White: \$27K Raised, \$44K Raised This Cycle, \$200K COH *\$200K from candidate, including \$100K this quarter*, Patrick Scates: Entered race after filing deadline; no report. **HPI Analysis:** Crooks is emerging as the Democrat frontrunner.

9th CD: Todd Young: \$181K Raised, \$570K Raised This Cycle, \$458K COH, Jonathan George: Entered race after filing deadline; no report. **HPI Analysis:** This race is developing, but Young is a real money machine. ❖



R-Ferdinand — all freshmen — were among the candidates for whom he campaigned. “Mike Pence knows how important it is to elect strong Republican leadership at all levels of government,” said Kyle Robertson, his campaign manager.

Pence told IU students said he hopes to build from Daniels’ momentum (Indiana Daily Student). “I think we’ve got the best governor in America with Mitch Daniels,” Pence said. “He’s built a better Indiana, but I think we can build an even better Indiana.” Pence acknowledged that tuition rates are something the state has debated lately. He pointed to the state’s recommended 5 percent cap on tuition increases and encouraged the state’s university leaders to find out if they are doing everything they can to limit increases. More importantly, he said, we should take a look at university completion rates. “I read a statistic somewhere that only about 33 percent of students in Indiana finish a degree in four years,” he said. “We need to look into the fact that it is no longer the norm to finish a degree in four years. Obviously, that’s going to create a greater financial burden.” When it comes to I-69, Pence said getting the expansion done on time is critical to the state. “I respect people who have concerns about I-69 in Bloomington, but I have to respectfully disagree,” he said. “There’s nothing more important to the economic vitality, the cultural vitality and the quality of life for people in southwestern Indiana.”

Muncie Mayoral: Tyler, McShurley debate

Supporters of Republican Mayor Sharon McShurley and her Democratic challenger, state Rep. Dennis Tyler, presumably liked what their candidates had to say Thursday night in their first debate of the election season (Walker, Muncie Star Press). It’s how those words play with voters who aren’t especially tied to either candidate that will likely determine the winner of the Nov. 8 election. At Thursday’s debate at Northside Middle School - sponsored by the League of Women Voters and the Muncie-Delaware County Chamber of Commerce - both McShurley and Tyler sounded familiar themes for those who have followed their campaigns to date. McShurley discussed her nearly four years of operating city government with diminishing tax revenue, and her at-times turbulent dealings with the Democrat-controlled city council. Tyler repeatedly said in his six years at the Indiana Statehouse, he had learned to work well with others, be they Republicans or Democrats. He emphasized the need to build “coalitions.” “I’ve worked extremely well with both sides of the aisle,” the Democrat said. When constituents have called him for assistance, Tyler said, “I’ve never asked them, ‘Are you a Democrat or Republican?’” McShurley said she had improved accountability at City Hall, and recounted her efforts to make changes to controversial practices of what was then known as the Muncie-

Delaware County Drug Task Force. “We’ve tried to have a very open administration,” she said.

Indy Mayoral: Kennedy outraises Ballard

For the six month period that ended Friday Democrat Melina Kennedy raised a \$1.5 million. Mayor Greg Ballard raised about a million and his campaign tried to cover the shortfall with an attack. “And now it sounds like she’s raised hundreds of thousands of dollars from those same contractors who she is criticizing in her latest TV ad,” says Ballard campaign spokesman Molly Deuberry (WISH-TV). The ad suggests that Ballard broke ethics rules with this line, “Greg Ballard is hiding the fact he gave \$300 million dollars in city contracts to his political contributors.” “If I’m mayor we will not have any situations where city employees who sign off on contracts actually solicit those dollars,” says Kennedy, “and that’s happened under Mayor Ballard.” The Ballard campaign calls it hypocrisy but believes it has enough money to counter the attack. “The mayor’s campaign has plenty of money to get the message out to continue to talk about the good things he’s done for the city,” says Deuberry.

The Greater Indianapolis Chamber of Commerce endorsed Ballard for a second term. The Chamber’s mission is to facilitate our community’s effort to make Indianapolis a better place to live and work and to provide a thriving business environment for our members. The Chamber has concluded Mayor Ballard has done exactly that. The Indy Chamber applauds the mayor’s record for fiscal responsibility including: Reducing local income tax, Protecting our city’s AAA bond rating during this tough economy, and Eliminating over \$100 million budget deficit. Additionally, Mayor Ballard’s decision to transfer the water utility to Citizens Gas will save taxpayers millions of dollars and is creating millions of dollars to “Rebuild Indy,” the neighborhoods in which we all live. Furthermore, the mayor is in full alignment with the Chamber in multiple other respects; notably, creation of mass transportation and education.

Horse Race Status: Tossup

Mishawaka Mayoral: Wood ‘disgusted’

Mayor Dave Wood couldn’t look at the two campaign mailings lying on a table inside Mishawaka’s Republican Party headquarters Friday afternoon (Harrell, South Bend Tribune). One read: “Unfortunately Dave Wood hired a child molester... Then, he refused to immediately fire him.” The other asked: “What if your child was molested in City Hall, and the mayor refused to immediately fire the sexual predator?” “I’m disgusted,” Mishawaka’s mayor said. The fliers, which hit Mishawaka mailboxes Friday, were sent by the Indiana Democratic Party promoting Craig Fry - Wood’s opponent in Mishawaka’s upcoming mayoral election. Fry said Friday that he was aware of the mailings and



their content before the party sent them out. Fry defended them, questioning Woods' handling of the case of Andrew G. West. West is a former Mishawaka Department of Community Development employee, who in August pleaded guilty to two felony counts of sexual misconduct with a pair of 15-year-old girls. He admits committing the illegal acts inside City Hall after hours. He is due to be sentenced Oct. 25. West was placed on unpaid administrative leave June 6, then fired from his city job June 17 following an internal investigation. "Where's the outrage?" Fry asked over the phone. **Horse Race Status:** Tossup

combined into an efficient system that was user-friendly and attractive for economic development." Davis told the Courier & Press, "I do not support the current consideration plan because I am for equality and fairness. I do not believe consolidation would be fair or equal to either city or county residents; I feel it would reduce minority representation; and it's proven consolidation would raise water rates to city residents by 10%. To expand the city's tax base, we need to aggressively target old industrial areas and encourage industry to move into the heart of the city where a stable, competent workforce and infrastructure already exists. **Horse Race Status:** Tossup



Evansville Mayoral: Davis finally up on TV

The Indiana Democratic Party conducted a poll late last week showing the Evansville mayoral race a tossup. As a result, today IDP is starting to air a TV spot going after Lloyd Winnecke on the homestead tax credit issue. Meanwhile, Winnecke started airing an attack TV ad calling Rick Davis a "career politician" who will raise taxes - becoming the first to go negative and confirming that the race is very close. Davis has responded with a spot "Who is the real career politician?" The spot takes on Winnecke on the homestead tax credit, for voting to increase county spending by \$18, and voting to raise his own salary by 24% while the wages of most people have remained stagnant. So the Evansville mayoral race is in full-swing. Winnecke is in the midst of a 1,000 gross rating point buy. Winnecke campaign sources told HPI, "Therefore the lead that Winnecke holds is likely to grow this week. The sources also believe that Winnecke has the potential of winning up to a third of the African-American vote." A Davis campaign sources told HPI, "Look for infusion of \$\$ and Davis up on the air. When these dollars and airtime go up, Davis will surge and Winnecke will plummet."

On the consolidation of Evansville and Vanderburgh County, Winnecke came out in support, saying, "After years of research and experiencing local government firsthand, I believe that unified city-county government will benefit our community. When you look to cities such as Nashville, Louisville, Lexington and Indianapolis, tremendous growth and opportunity followed after dual layers of government were

Fort Wayne Mayoral: Stutzman for Paula

Republican mayoral candidate Paula Hughes will be joined by small businessman Bob Schenkel and Congressman Marlin Stutzman today to discuss the importance of leading by example and why cutting the mayor's pay is important to the average Fort Wayne citizen. Mayor Tom Henry on Wednesday tried to make hay of some recent comments of his opponent, saying she is planning to cut vital city services. "On county council Paula Hughes voted to cut vital services like snow removal," Henry said. "Now she says leaf collection is a luxury she would consider eliminating." Hughes, however, said Henry was simply "playing politics" by changing the facts. She said the statement that she cut snow removal is "ludicrous" and that she called leaf collection a luxury in comparison to police and fire protection. Henry was joined by several neighborhood officials at his event, who called on voters to oppose candidates willing to cut important services. **Horse Race Status:** Tossup

SD32: Elrod won't challenge Sen. Miller

Former State Rep. Jon Elrod has decided not to challenge State Sen. Pat Miller. Elrod is engaged and reportedly didn't want to add a campaign on top of nups. Also, Elrod and his father are attorneys for the City-County Council and GOP sources might not have been amused about a challenge to the Republican lioness.

8th CD: 2nd primary foe for Bucshon

Vincennes businessman Garry Hall, a former Democratic member of the city council there, announced Wednesday that he will challenge U.S. Rep. Larry Bucshon. The 64-year-old Hall joins Bucshon, who has not formally announced his re-election bid, and Owen County community activist Kristi Risk in the GOP field (Evansville Courier & Press). Three Democrats also are seeking the seat held by Democrat Brad Ellsworth from 2007 until January. Hall, a commercial account manager for Ruxer Ford Lincoln, called for repeal of the health care legislation passed by Congress in 2010, calling it "socialized health care." ❖



Changes unlikely to Electoral College

By JACK COLWELL

SOUTH BEND - The Electoral College never gets a bid to a BCS bowl. Never claims that it, rather than Notre Dame, has the greatest of all fight songs.

But when it comes to the polls, the Electoral College is No. 1. Disagree? Just ask President Al Gore.

At the polls, everyone who votes for president is really an Electoral College voter. And in 48 of the 50 states, it's winner-take-all: The presidential candidate getting the

most votes in a state wins all of that state's electoral votes _ a number equal to the total of House and Senate seats to which that state is entitled.

As the Constitution provides, it's the electoral total, not the most popular votes nationally, that determines the presidential winner.

The Constitution doesn't provide for that traditional winner-take-all part. In fact, two states, Nebraska and Maine, award an electoral vote

to the winner in a congressional district. Since they're small states, it hasn't mattered in electing a president.

Now comes Pennsylvania.

That's a big state, with 20 electoral votes. Republicans, in control of both houses of the state legislature and the governor's office, have a plan to change the state's allocation of electoral votes from winner-take-all to give one electoral vote to the presidential vote winner in each of the 18 House districts. The other two would go to the statewide winner.

Guess what? It's politics.

It's also a double-edged sword, like redistricting, that could cut different ways at different times in different states. President Obama carried Pennsylvania in 2008 and got all of the state's electoral votes. The Pennsylvania Republicans, in pushing for the change, figure they might be able to carry a dozen districts with their new redistricting plan and leave Obama with only eight of the 20 electoral votes even if he again carries the state.

Not all Republicans support the change. They see polls in Pennsylvania showing that Obama isn't hugely popular there right now. So they ask: Why not leave it winner-take-all, with the prospect of all 20 electors going Republican, rather than risk winning the state but losing electors to Obama in maybe six or more congressional districts?

Meanwhile, in Nebraska, there's a move backed by Republicans, also in control there, to do just the opposite, to switch back to winner-take-all.

In 2008, Obama carried one congressional district and thus got one electoral vote in Nebraska. No more, say the Nebraska Republicans. They are confident that the eventual Republican presidential nominee will carry the state. And they don't want Obama again picking off an elector by winning in one of the state's three districts.

In Wisconsin, another state with Republicans in control, a bill has been introduced to follow the Pennsylvania lead and change from winner-take-all. Wisconsin is another state Obama carried in '08.

How about Indiana?

Would Hoosier Republicans want to eliminate winner-take-all so there would be no possibility of Obama taking all again as he did last time? No. Absolutely not. While Pennsylvania leans Democratic - with no Republican presidential nominee winning there since 1988 - Indiana has been solidly Republican, with no Democrat carrying the state since 1964, until Obama pulled the Hoosier upset last time.

Indiana Republicans are confident that Obama can't repeat that upset in 2012. They want all of the state's 11 electoral votes to go to the statewide winner. If Indiana had used the district approach in '08, Obama, though carrying the state, would have received only five of the state's 11 electoral votes. He ran ahead in only three of the nine congressional districts, 1st, 2nd and 7th.

But Hoosier Republicans are not about to base strategy on something that hadn't happened before since the election of Lyndon B. Johnson.

In Indiana, Democrats would be the ones more likely to see the joys of district allocation in future presidential races. With changes in the elector selection system now looming in other states, however, changes back and forth, depending on which party controls the legislature, could become a new political game rivaling the partisan games of redistricting.

So maybe the Electoral College should have a fight song. Elector games could be fought as fiercely as any contest in a BCS bowl. ❖

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





Flexibility is desirable but difficult to attain

By **MORTON J. MARCUS**

INDIANAPOLIS - Somewhere in rural Indiana is a banker who can not see good in any proposal put before him unless he saw it previously. His posture is as rigid as his mind. How can his town expect to move forward with his hand on the money spigot?



Elsewhere is a woman who talks too much yet says too little. Her incessant conversation interferes with her job because she does not transfer information efficiently. Despite their tolerance and best efforts, her employers no longer can accept her poor performance.

Another two Hoosiers are well-educated persons whose skills are not in demand in these hard times. One is waiting tables while attempting to change his career path; the other has accepted an apprenticeship to take her career in

a different direction.

All of these people have college degrees and are considered professional service providers by those who classify occupations. None is unemployed. Each is under-employed: the banker and the talkative woman by habit, the other two by choice in hope of better opportunities.

Many other employed Hoosiers operate below their capabilities. In a state often obsessed with "worker-training," what is being done about those under-employed by habit or by aspiration?

The talk in Indiana is about training where psychoanalysis may be more appropriate. The excessively cautious banker relies on his experience to guide his actions, but he does not seem to assimilate contemporary trends into his understanding of the business environment. What will it take for him to accept new information?

The all-too-talkative woman has been so for thirty years of her adult life. Can her behavior be modified when it is so ingrained in her personality? The other two delayed career changes because they were already mature, experienced professionals. They, along with the rest of us, did not, could not, accept the structural changes of the past five years.

Economic waste characterizes these examples as it does for other people who fit these descriptions. Owners, managers and laborers who resist change and reject

information harm themselves, their families, companies and communities. But how do they know their behaviors are harmful?

You or I may tell them so, but how well can we communicate what we know imperfectly. Motivational speakers and career counselors may have temporary influence. Newspaper articles and TV programs may offer convincing evidence. However, we are talking about fundamental changes in habitual conduct, self-image, and professional identity, whatever you call it.

Unemployment compensation is one means of providing aid to those in need of changing jobs. But what assistance do we have for impassive bank presidents? When the talkative woman is dismissed from her job, where can she go for behavioral modification she does not know she needs? These issues are not normally considered in the discussion of economic development. Wasted effort, wasted lives, however, cannot be ignored, even if they are not easily addressed by government or private programs.

Yes, community mental health programs may be a key to accelerating prosperity. ❖

Mr. Marcus is an independent economist, speaker, and writer.

C-SPAN to feature Wendell Willkie Friday

RUSHVILLE - As the 2012 presidential campaign takes shape, C-SPAN will give historical context to current politics by taking a look back at presidential hopefuls who lost the election but changed political history.

Wendell Willkie is featured this week on the 14 part series. Prior to receiving the Republican presidential nomination in 1940, Willkie had never before run for public office. His prior experience included serving as legal counsel and then president for the Commonwealth & Southern Corporation. While he did not win the national election, he served as President Roosevelt's representative to Britain, the Middle East, the Soviet Union and China. He went on to write *One World*, a book recounting his life's adventures.

He is one of 14 former candidates featured in C-SPAN's weekly series "The Contenders: They Ran & Lost but Changed Political History." This former presidential candidate will be featured this Friday, October 21, 8-10pm ET LIVE from the Rush County Historical Society in Rushville, Indiana – Willkie's place of residence for much of his adult life and the town where he ran his presidential campaign from.

Joining the program to discuss culture, and politics of the time period are: Amity Shlaes, author of *The Forgotten Man*, James Madison, history professor at Indiana University, David Willkie, grandson of Wendell Willkie. ❖



Doug Ross, NWI Times: Joe Kernan is both a former and a reformer. He's an ex-governor and was co-chairman of the Indiana Commission on Local Government Reform. He hasn't given up the fight. Kernan spoke Friday at the Lake County Advancement Committee luncheon in Schererville, offering a strong sales pitch for the Shared Ethics Advisory Commission. The commission offers ethical training, but not enforcement, to its five member communities. "It's trend-setting," Kernan said. "It's ahead of its time." Or maybe it's just well-timed. "What is facing government at all levels is an increasingly hostile citizenry," Kernan said. Kernan blame the political partisanship in the nation's capital for making matters worse for local officials. "Every time we see a food fight in Congress kind of reinforces this notion," Kernan said. I agree. But don't discount what happens - or doesn't happen - at the state level, too. Soon after the Kernan-Shepard commission came out, the easiest reforms were enacted. Since then, the legislators have had cold feet. I asked Kernan about one of the recommendations that have yet to be adopted -- a ban on government employees serving on the governing board of that same level of government. In other words, a firefighter or police officer couldn't serve as a City Council or Town Council member in that same municipality. "We believe there is a built-in conflict of interest when you are getting two paychecks from the same unit of government," Kernan said. ❖



Rich James, Post-Tribune: I'm Rich J. I'm a Region Rat. Have been all my life. I'm not looking to change and don't want anyone's sympathy. As most of us are, I'm a proud Region Rat. There's something special about this corner of the state. You won't find what we have here anywhere else in Indiana, or the country for that matter. It's a select club. If you're not born a Region Rat, you'll never be one. There's no application process. A Region Rat represents all that is good about this area. It's not something to be ashamed of as some are now suggesting. Being a Region Rat is all about steel and oil and carrying a union card after being accepted into a building trade. Being a Region Rat is a badge of honor. It's a mark of toughness and spirit and belonging. It's about everyone getting paid on a Friday and going out to paint the town, knowing there are no rules. It's about rough-and-tumble politics and burying the hatchet after the votes are counted. It's about eating pierogi, baklava, calamari and blood soup. ❖

Mizell Stewart III, Evansville Courier & Press: It's easy to stew over the sorry state of the nation's infrastructure while sitting in bumper-to-bumper traffic. The occasion was a business trip to Lexington, Ky., typically

an easy trip east from Evansville on Interstate 64. Now, it is anything but after the Sherman Minton Bridge over the Ohio River was closed last month by Indiana Gov. Mitch Daniels after dangerous cracks were discovered in one of the bridge supports. Three bridges connect Louisville with southeastern Indiana. The loss of one means thousands of local commuters and commercial drivers, not to mention through travelers and long-distance truckers, have to go through a series of detours to use the two spans that remain. The result leaves traffic crawling day and night along Interstate 65, where most of the detoured traffic ends up. The delays are expected to last for months until the I-64 span is repaired. The previous day, I avoided Louisville altogether, taking the Twin Bridges over to Henderson and then traveling Kentucky's extensive parkway system through Owensboro and Elizabethtown to Lexington. It was a long and somewhat out-of-the-way journey to be sure, but the light traffic and emerging fall colors did wonders for my blood pressure. I've written before about Kentucky's parkways, created initially as toll roads and then made free once the bonds sold for their construction were paid off. In an era where distrust of government and concern over taxes is the norm, a pay-as-you-go approach must be considered. Revenues from the federal gasoline tax are in decline as Americans drive less due to rising fuel prices and the purchase of more fuel-efficient cars. Pay-as-you-go, however, is no panacea; all we have to do is look at another crumbling bridge, the New Harmony toll bridge over the Wabash River, for an example. That bridge, rated 'structurally deficient' in its most recent inspection, continues to deteriorate because the traffic is so light that tolls barely generate enough income for its upkeep. ❖

Andrea Neal, Indianapolis Star: Rummaging around in my purse for quarters to feed a parking meter Friday, I muttered something under my breath about City Hall. As a result of Mayor Greg Ballard's 2010 lease agreement with a private vendor, I not only pay more to park on city streets but have to check my watch to determine if it's free or not. I'm out \$10 since the deal took effect. In Highland Park, Mich., residents are without streetlights. When the city couldn't make good on a \$4 million unpaid bill, DTE Energy removed 1,400 light poles. With fewer lights burning, the city cut its monthly utility bill from \$62,000 to \$15,000. Residents are worried that crime will shoot up. This is a real-life tale of two cities. One came up with a clever and painless way to generate revenues during tough times; the other threw up its hands and has gone running to state and federal taxpayers for help getting their lights back. Some credit must go to Mayor Ballard, but this column is not an endorsement. It's a neutral observation that Indianapolis is hanging tough during this recession. ❖



PPIN urged to split services

INDIANAPOLIS - Indiana officials contend the state's Planned Parenthood chapter could end a fierce legal dispute over abortion funding by simply separating its abortion business from other services (Associated Press). But advocates for the organization view the idea as a red herring pushed by critics seeking to entirely defund the country's largest abortion provider. Their skepticism is fueled by experiences

from Planned Parenthood chapters in two other states where non-abortion services were targeted even after such a split. The two sides will make arguments Thursday to the 7th U.S. Circuit Court of Appeals in Chicago, and it's unlikely the legal skirmish will end there. Indiana is one of the major fronts in a nationwide battle between social conservatives and Planned Parenthood. Gov. Mitch Daniels signed a law in May that made Indiana the first state to deny the organization Medicaid funds for general health services including cancer screenings. State attorneys suggested in a brief filed in August that Planned Parenthood should just separate its services to ensure no public money goes toward abortion. While officials with the state group say they're open to that, the outcomes of similar battles in Missouri and Texas give them pause. Indiana state Sen. Scott Schneider, author of the proposal to defund Planned Parenthood, called the organization's split in Texas a "superficial" one. He said the group simply "moved the abortions to the second floor." Betty Cockrum, Planned Parenthood of Indiana's president and CEO, said she fears lawmakers eventually will decide to target the organization's non-abortion



services, even if the law only aims for the abortion money. "If that doesn't satisfy the Legislature, my question is, what's the shelf life? The Legislature might change the rules in 2013 or so," she said.

Kenley to push online sales tax

INDIANAPOLIS - Sen. Luke Kenley will pitch state lawmakers Thursday on the need to apply the state sales tax to online retailers. The Noblesville Republican estimates taxing online sales could net the state up to \$400 million annually (Associated Press). But the change will have to come through Congress. Indiana Retail Council President Grant Monahan says state lawmakers could make an immediate gain by rewriting state law to apply the tax to online giant Amazon. Monahan says the state can do this without waiting on the federal government because Amazon operates distribution centers in the state. An Amazon spokeswoman says she would rather see the issue addressed by Congress than state by state.

Perry announces support for flat tax

INDIANAPOLIS - Rick Perry announced his support for a flat tax on Wednesday, sharpening the contrast with his Republican rival Mitt Romney and capitalizing on popular frustration with the tax system among Republican primary voters (New York Times). The proposal by Mr. Perry, the Texas governor, does not yet have details, but it is expected to resemble a version previously advocated by the former presidential candidate Steve Forbes, who has advised Mr. Perry on his plan. Mr. Forbes's proposal in the late 1990s featured a 17 percent tax rate. Mr. Romney has previously been

critical of a flat-tax system, including in newspaper advertisements he took out in 1996 as a "concerned citizen" in which he argued that the Forbes tax plan was a "tax cut for fat cats."

Gallup shows most blame Obama

WASHINGTON- For the first time, a majority of Americans blame President Barack Obama for the nation's economic problems, according to a new poll Thursday. A majority - 53 percent - said Obama deserved "a great deal" or a "moderate amount" of the blame for the economic problems that the United States currently faces, the USA Today/Gallup poll shows. This figure has jumped from 32 percent in July 2009, after Obama had only been in office for six months. Meanwhile, 69 percent said that former President George Bush deserved a "great deal" or a "moderate amount" of blame for the economy, down from a high of 80 percent in July 2009.

Dozen of protesters 'Occupy' Muncie

MUNCIE -- The occupation of Muncie has begun (Muncie Star Press). After a couple of weeks of meetings and sign-making, the local version of Occupy Wall Street on Wednesday marched from Ball State University to downtown Muncie and began an occupation, an encampment to call attention to their cause: Bridging or even reversing the gap between the haves and the have-nots. "Banks got bailed out and we got sold out," Occupy Muncie marchers chanted as they marched through a steady light rain from the bell tower at Ball State to the Delaware County Building. The march began at 4 p.m. Wednesday and by about 6 p.m. several dozen marchers had circled downtown. ❖