



Pence gets his tax cut forecast

But Kenley suggests Senate budget version already delivers governor \$500M cut

By **BRIAN A. HOWEY**

INDIANAPOLIS – A little more than 24 hours after receiving the revenue forecast he had been hoping for, Gov. Mike Pence became what he called a “salesman” and made yet another pitch for a full 10% income tax decrease.

The volley comes as the governor, legislative chamber and financial leaders have begun huddling to hammer out what will be at least a \$525 million annual tax relief package, with Senate Appropriations Chairman Luke Kenley suggesting that the Senate budget with an array of inheritance tax elimination and reductions in corporate, financial institutions and the income tax already does that.

Pence told a receptive Indianapolis Chamber luncheon Wednesday, “A permanent 10% income tax reduction gives small- and medium-sized businesses the predictability they need as they plan to grow over the long haul.



Gov. Mike Pence found himself in a press scrum Wednesday after making another public pitch for his 10% tax cut. (HPI Photo by Brian A. Howey)

The value in my tax proposal can’t be calculated simply by looking at how much an average household will save next year, but by looking at the overall impact on Indiana’s economy over the next decade and beyond. The greatest benefit is long-term predictability for small businesses that will give them the confidence to expand, purchase equip-

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Terror returns home

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – “Brian, we’re going to get hit again. It’s going to happen. I just hope when it happens, I’m not in Washington.”



This came from a high-ranking, former congressional staffer several years after the Sept. 11 attacks. And the worries of this staffer – someone I highly respect – went well beyond an improvised explosive device packed with ball bearings that we twice witnessed on Monday, Patriot’s Day, at the Boston Marathon. The warning was more along the lines of a rogue



“I have tried in this position to be reflective of the people in our state. So I said, ‘Look, I think this is the right thing to do.’ And I’ve had a great reaction to that”

- U.S. Sen. Joe Donnelly
on backing gay marriage



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nuke or a biological attack in the U.S. capital or a major population center.

It's been a little less than 12 years now since we've taken a terror hit on the U.S. homeland. I like to remind the folks who viscerally castigate the federal government that since Sept. 11 this entity has kept America safer than what our expectations might have been on that day, when Hoosiers watched the carnage in New York and Washington and feared a similar fate for the Sears Tower in Chicago. Presidents Bush and Obama and Vice Presidents Cheney and Biden have shepherded a leadership culture that has kept airliners aloft and, until Monday, IEDs off shore.

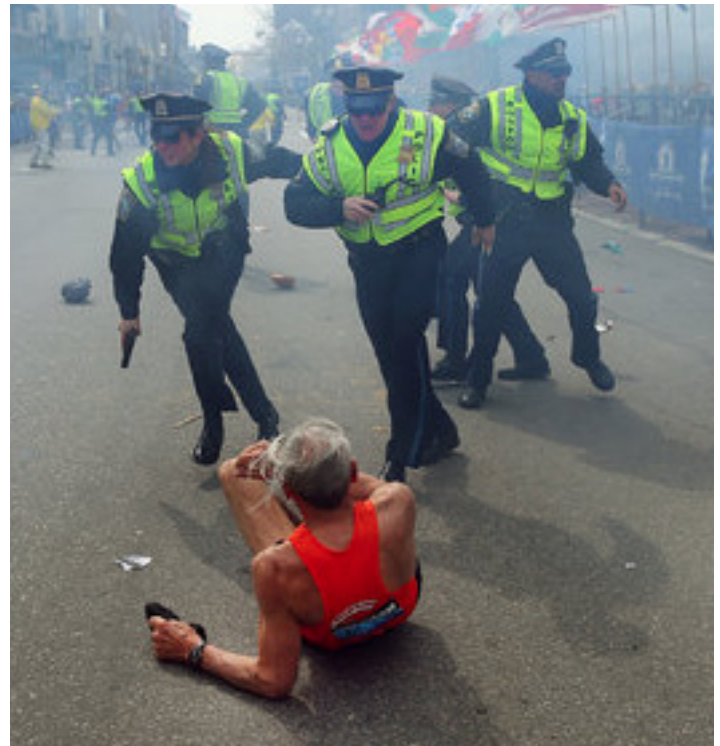
Indeed, every time I walk into a Colts or Pacers game, or the Indianapolis Motor Speedway - the most populated annual sporting event on the planet - there is that thought, though not a fear, that if terrorists really wanted to strike fear in the hearts of America, the hit would come in the heartland.

Former Sen. Dick Lugar had conjured images of the "destruction of an American city in our lifetime" in the wake of the domestic terror at Oklahoma City, and even Indianapolis as a potential target. A radial area with Lucas Oil Stadium at the center would include, within a mile or two, the three stadiums, key fiber optics lines, two major east/west and north/south interstate highways, a university and medical research labs, at least one

bunkered internet hub (with 10-foot thick walls, I'm told) and one of the major insulin manufacturing sites in the world.

When I was growing up five miles northeast of the Grissom AFB runway, the frequent roars of B-58 Hustler bombers and KC-135 strato-tankers over our house were a constant reminder that little Peru, Indiana, could be a Cold War collateral site near a bullseye.

But we've watched the threat evolve away from Soviet ICBMs and



Nikita Khrushchev pounding his shoe on the podium (a vivid childhood image) to rogues like Osama bin Laden dwelling in caves and now, faceless computer programmers who constantly probe our security, financial and utility infrastructure from Ukraine, Iran or North Korea.

It's worth repeating a thought spoken by Sen. Dan Coats in last week's HPI edition: In a cyber 9/11 scenario, Americans could wake up some morning and find the TV



networks off the air, the banking system debilitated and utilities not functioning. "You've got people constructing just that," said Coats, who sits on the Senate Intelligence Committee.

And the rogues do exist among us. Just last week, the Planned Parenthood Clinic in Bloomington withstood a terror assault after police reported that Benjamin D. Curell, 27, of Ellettsville, was arrested on preliminary burglary and criminal mischief charges – allegedly destroying equipment and splashing red paint. The Bloomington Herald-Times reported that the man allegedly attributed his actions to his religious beliefs, saying Planned Parenthood employees murder babies.

In our post 9/11 world, Americans have resolved to live their lives, aware of the terror potential, but not living in fear of it. We fill our stadiums, run in and watch our races and ride the Metro and the South Shore.

Statistically, the chances of experiencing a terror strike are infinitesimal, yet there were 283 Hoosiers run-

ning the Boston Marathon, and dozens in the Pentagon and World Trade Center 12 years ago, not to mention the U.S. Capitol that was probably saved by the citizen patriots of Flight 93.

To witness such a thing is about as rare as having a tornado hit your home or knowing someone who was murdered. Yet, I know a dozen or so people whose homes or businesses have been hit by tornadoes and a Rasmussen poll last week reported that 25 percent of us know someone who was murdered.

Yes, it's going to happen. A democracy with the openness we cherish will provide the small portals of vulnerability for the rogues who have given up on debate and persuasion and turned to bombs and germs and paint.

The remarkable element of this week's sad story is that it took a dozen years for us to endure another hit on the homeland. ❖

Howey is publisher of Howey Politics Indiana.

Pence, from page 1

ment and hire Hoosiers."

Pence added, "When Indiana adds a 10% tax cut to an honestly balanced budget and combines that with our reputation for education reform and workplace freedoms as well as our new commitment to cutting red tape, improving career and technical education and promoting life sciences, we will put Indiana in the lead to win the war for jobs for this generation and generations to come."

Pence had come full circle, unveiling his tax cut before the same group last July 31 during his gubernatorial campaign. But it was the way he did that – alerting House Speaker Brian Bosma and Senate President David Long only 45 minutes earlier – that set up this showdown among the three Republican leaders who are part of historic legislative super majorities.

At an Indiana Chamber luncheon last November, Bosma and Long raised concerns about an income tax cut coming at a time when gaming revenues are diving due to competition from Ohio. Long observed, "We've

already done tax reform," and Bosma added, "We absolutely have to live within our means. The fiscal fog is thick."

Bosma presided over a House budget that conspicuously omitted the Pence tax cut and the Senate budget included just a 3.3% cut.

But the "fiscal fog" lifted considerably on Tuesday with revenue projections up \$290 million over the next 27 months. That prompted Pence to say, "The April revenue forecast is great news for Hoosiers and good news for the budget process. The forecast projects stronger economic growth and \$290 million more in revenue than the December forecast and should be welcome news to every Hoosier struggling in these difficult times and to policy makers working to craft a balanced budget. With greater economic growth and resources for our state, I am more confident

than ever that we can craft a balanced budget that funds our priorities like roads and schools and provides Hoosiers with the kind of tax relief they need and deserve."

On Wednesday, Pence didn't just double down, he tripled up, making a case for the 10% instead of the Senate 3.3% version. He began by noting that Indiana's taxes have actually gone up, which is a surprising asser-



Gov. Pence talks to an Indianapolis Chamber of Commerce member following his speech Wednesday. (HPI Photo by Brian A. Howey)



tion after eight years of Mitch Daniels at the helm.

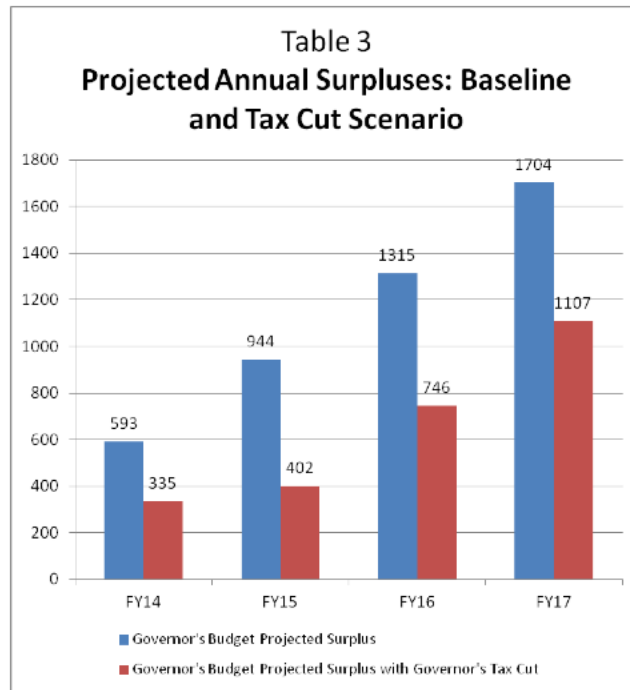
"According to the Tax Foundation, our overall tax burden has gone from 8.2% to 9.6% over the past decade, making us 23rd nationally," Pence said before turning to the national environment. "Federal taxes have just gone up on 53% of all business income. The payroll tax holiday ended, which amounts to more than \$2 billion that Hoosiers will send to Washington instead of retaining as income. The sunseting of the payroll tax break creates a disincentive to hire."

And then came Obamacare. "The Affordable Care Act is putting the brakes on job growth," Pence said, reiterating what Sen. Dan Coats told HPI last week. "A Kelley School of Business study last year found that in our latest economic expansion, 15% of all new jobs would have been at risk had ACA been in place at the time. Since 95% of these jobs came from smaller, growing firms, what this really means is that ACA is especially bad for young, small companies – our job creators. This, as you know, was confirmed by the U.S. Chamber's survey of small businesses, which found that 72% of respondents said ACA makes hiring harder."

"To put our situation another way: We are squeezed on the one side by the increasing pressure taxes place on job creation, and on the other by states whose competitive tax environments are beating us in the jobs war. And again, Indiana must seize this moment to make our state more attractive to investment that creates jobs. Income tax relief is a critical component."

Pence then pointed to an array of economist viewpoints to make his case.

"There is strong evidence that lower income tax rates mean more jobs," Pence insisted. "Economists Robert Barro and C.J. Redlick have found that reducing income tax rates by 1% increases economic growth the following year by half a percent. Another study by economists Karel Mertens and Morton Raven demonstrates the merits of reducing income tax rates. They found that every 1% reduction in the income tax rate generates a 1.4% increase in real GDP the following quarter and a 1.8% increase over the next three quarters. A study by Douglas Holtz-Eakin and his colleagues shows that a 5% increase in income tax



rates lowers the proportion of entrepreneurs who make new capital investments by 10.5% and lowers mean capital outlays by 10%."

"The point is this," Pence concluded. "If we want Indiana to be more competitive in today's global jobs war, we have to care about the battle over income taxes. Lowering income taxes across the board by 10 percent will increase our GDP. It will increase personal income. It will bring new investment and more jobs."

Kenley believes we're already there

Reacting to the April budget forecast, Senate Appropriations Chairman Kenley told HPI, "We've been down so

long that any little bit looks good to us."

"Basically the governor's budget and the House budget and our budget are all iterations of the same philosophy," Kenley said late Tuesday afternoon. "What we've got to do is come to some resolution on the spending side and some resolution on this tax cut side. I know the Governor is going to continue to pump for a while on his plan but I've tried to frame this discussion to show that what we've done last year and this year on the corporate, the financial institutions and the inheritance tax and when you add a little bit of sprinkling into his preferred tax cut, overall we're going to have \$500 million in lower revenue. We've cut taxes \$500 million a year, which is one way to say we've met his request."

"I'm not sure we can do more on any of these tax cuts without having to take something more from somewhere else," Kenley added. "We don't want to hurt our revenue stream so much that we jeopardize our triple A bond rating. It's based on having stable revenue streams that will cover your likely expenses."

Asked about the casino revenue decline, Kenley explained, "I felt like the revenue forecast was overly optimistic. I think we are going to lose more revenue with these new casinos in Ohio. Even though it showed a cut of around 6 1/2 percent, that was a little too optimistic. That's a little bit of a worrisome factor in here and it makes it a little bit harder to have much wiggle room when it comes to tax cuts."

The forecast by James Diffley, senior director and



chief regional economist for IHS Global Insight, also had some troubling comments. The report noted that Indiana will not return to "peak employment" until 2014-15, and even in 2014 it projects a jobless rate of 7.7%, more than 3% higher than the jobless rate in 2007. The jobless rate for 2013 is expected to be 8.3%, down from the current 8.7%.

Asked if 7.7% is the new norm – instead of the 4.5% "full employment days" prior to 2008 – Kenley said, "I hope not, but there are things about the overall economy that tells you that may be true. Technology has moved us in such an incredibly productive society. You have automobile plants where they used to have 10,000 workers and now it takes only 1,500 to 2,000 people to run the equipment anymore. There were 30,000 people in Gary making steel and now there's 6,000 working up there. I think that's a possibility. It's not just an issue of jobs. It really goes beyond the idea that somebody just needs a job. They have to be educationally proficient enough to do a job in the modern world."

And Kenley also cited the Standard & Poor's 500 index. "It's gone up for 16 months in a row and they are basing their revenue forecast on that. It can't keep going like that. I think the market has about run itself out. That makes things iffy in terms of a forecast."

Ways & Means Chairman Tim Brown added a cautionary note, telling the Indianapolis Star in today's editions, "Everybody always thinks that when they're here in April, they'll be back in two years. But the reality is — especially in the House — we're up for election every two years. Do we tie the hands of future representatives?"

Grassroots and the legislature

What has been missing is a movement throughout the hinterlands for the tax cut. Officials from the Indiana Association of Cities and Towns have reacted coolly to the tax cut. So has the Association of Indiana Counties – which is now about 80% Republican - and wants more road funding. There hasn't been a wave of local party support, even after Speaker Bosma sent a letter in February to the 92 county GOP chairs making his case against the cut.

There have been exceptions, such as Allen County's Steve Shine and Howard County Republican Chairman Craig Dunn, who posted on his Facebook page Tuesday, "Thirty-one years ago I started my business. In the beginning it was just me, all by myself trying to build a business. Grad-

ually, over the years, the business grew to eight employees who now manage over \$250,000,000 in investor funds. We have paid millions of dollars in taxes of every make and description. We now have a President who doesn't think that we built the business. Never, in those 31 years, have



I approached either Congress or our Indiana legislature for a handout, tax break, incentive, bailout, tax credit or other perk. All I have asked of government is that it stays out of my way. It angers me when special interests representing successful businesses grab for even more from the taxpayer. I thought that Governor Daniels' taxpayer rebate was an excellent idea. Now, it appears that our leaders in the legislature have found a way around it. It is now time to cut taxes before

the money is transferred from Hoosier families to Hoosier millionaires. I support Governor Pence's 10 percent tax cut!"

Dunn told HPI in a text, "Heat from legislature was testy and immediate. I hit a nerve and for some perverse reason I don't give a crap."

Homestretch negotiations

Senior Pence administration officials tell HPI that Pence has been meeting face to face with Bosma, Long, Kenley, Brown and Senate Budget Chairman Brandt Hershman. OMB Director Chris Atkins is working out details with House and Senate fiscal staffers.

"There's been a shift," a senior administration official told HPI, saying the revenue forecast is now allowing the governor to negotiate "more freely."

Pence was asked by reporters after his speech whether he'd take half a loaf instead of a whole. The buzz in the hallways this past week has been a compromise in the 3- to 5-percent range, or implementation over multiple years. Some press reports suggested Pence might be open to that. But Pence held firm. "I'm advocating a 10-percent cut," He told reporters. "It will send resources into our economy." He would not rule out a veto. The NWI Times reported this morning that legislative leaders are considering pre-emptively scheduling a special session date in May if needed to override a possible Pence veto.

Asked what he would do if he doesn't get the full 10% in his first biennial budget, Pence responded, "My objective is to lower the income tax rate by 10%, but we'll continue to work in good faith." ❖

Indiana Forecast Summary

(Percent unless otherwise noted)

	2011	2012	2013	2014
Employment	1.6	2.1	1.6	1.4
Unemployment Rate	9.0	8.4	8.3	7.7
Personal Income	5.3	3.7	3.2	4.6
Housing Starts (000)	12.6	14.2	17.1	20.9
Retail Sales	8.3	5.2	2.7	1.7
Real Gross State Product	1.1	1.6	1.6	2.2



Donnelly is quietly making his mark

By **CHRIS SAUTTER**

WASHINGTON – There are essentially two approaches for a newly elected senator to take upon becoming a member: Firebrand or workhorse. Indiana Senator Joe Donnelly is following the path of the workhorse: Study briefing books, attend hearings, build relationships, and quietly push a handful of key issues.

Two days after the Boston marathon bombing, I interviewed Donnelly in his office after he had spent the morning in an Armed Services Committee hearing. While Donnelly and his colleagues were questioning Defense Secretary Chuck Hagel about the Defense Authorization bill, the area outside the committee room in the Hart Senate office building was on lockdown. Capitol police had discovered a suspicious package that turned out to be not harmful. While the Capitol is understandably jittery, Donnelly is locked in on making a difference.

CS: First, I want to ask you your reaction to Boston.

JD: You know, the Boston Marathon is so much like the Indy 500. It is a celebration of America. It's a celebration of everything that's good about our country. These are people who are incredibly disciplined, incredibly talented who are running the race. Then it's a celebration of Patriot's Day. I know people who ran in the race who said the course was lined the entire way with people giving out lemonade, laughing and cheering. So, it's who we are. I think probably next year you'll see a bigger crowd in Boston than this year because of the American spirit ... you know what, you're not going to stop us from living our lives. And, I don't know who is responsible, but I do know we will get whoever it is. There is no doubt in my mind.

CS: Do you think we have become complacent in the last couple of years?

JD: I wouldn't say complacent. I would say perhaps not as on edge as we were in 2001. But people are cognoscente of the fact that we live in a different world than we did.

CS: What are the main differences between the House and the Senate?

JD: This is a smaller more collegial body. And when I say more collegial, it's not that I didn't have extraordinarily important friendships in the House. I had wonderful friendships and we all tried to work together there. But having 435 and having 100 ...with 100 every day you see your colleagues. And you have lunch with them and talk to them. So much of what you do is based on the networking that we do. You work hard, build your reputation in the institution and let them know your word is your bond.

CS: The converse to that is that the geographic area you represent is 10 times the size. What are you doing to try to stay in touch?

JD: I've gone home every weekend and have traveled the state constantly not only in the campaign, but since the time I was elected. We just came off a two-week break where I went to every corner of the state, talking about jobs...talking about opportunities with our ag groups...talking about more skilled opportunities in our state through Vincennes (University), Ivy Tech, all of our college institutions, all of our vocational schools because we're

trying to allow our businesses to be able to hire people with the skill levels they require. So for me it is just pack an extra sandwich and get a tank of gas and off we go. I love traveling the state.

CS: How do your committee assignments translate into achieving some of your goals. You're on Ag, Armed Services, and Aging. How do you utilize those committees?

JD: I tried to put together a group of committees that I thought could positively affect Indiana and our country and also compliment my previous experience. I served on Financial Services for six years. And so I continue to work in those areas. I served on Agriculture and I served on Veterans Affairs. So, for instance in the South Bend area, we are in the process of moving from an interim facility to a 65,000-square-foot facility without adding any extra costs to the taxpayers at all. We were able to compete for the upgrade better than other states because of that background. I think being on Armed Service, it helps for our National Guard, the fourth largest guard in the country numbers wise, maybe per capita number one. So that's pretty important. Number two, places like Crane in Southern Indiana and Muscatatuck and Atterbury and some





of the other companies like Raytheon and Rolls Royce, it has a big footprint in out state. And what we're trying to do is to make sure that we transition the military to defend our country and defend our citizens and also make sure that Indiana is a full partner in that process.

CS: How has sequestration affected Indiana?

JD: There has been concern at places like Crane where a lot of the civilian workers have been facing furloughs. That's had significant impact. For development of new engines, its affected Rolls Royce. And Raytheon in Fort Wayne has been impacted. Across the board it's had significant impact. So what we're trying to do is reduce the budget deficit as much as possible while spending the funds in areas that critically important.

CS: What are the prospects for getting a farm bill passed and signed into law?

JD: We have a great opportunity to pass a farm bill this time. I actually helped last year with Colin Peterson to whip (House) members on the floor. Because if you remember, one of the claims that was being made was "well it's not being brought to the floor because there's not enough votes." As I'm sitting here I can promise you if we had had a vote, it would have passed and we would have had a farm bill. And what I kept saying back then was very simple, which was, "Look, you say it's not going to pass. I think it will. Just give us a chance to do the job we've been hired to do which is to vote on these types of legislation." I think the Senate will pass a farm bill again.

CS: Do you see any changes?

JD: Maybe a little bit of change in regard to how some of the southern agriculture is treated because now Thad Cochran of Mississippi is the new ranking member. But I think that Cochran and Chairman Stabenow have been working closely together. As a member of the committee, we've all been working very well together. I expect the Senate to be successful in passing the farm bill and in sending it down the hall to the House. And there's no reason that we shouldn't get a farm bill. None at all.

CS: Senator McCain asked Secretary Hagel some pointed questions about Syria and Korea. What are your views about arming the rebels in Syria?

JD: I am very cautious about that because Syria is a very dangerous place. One group of rebels is tied to

Al Qaeda. It is a situation where you have Iraq and Saudi Arabia on one side, on the other side you have Iranians, the Russians, Hezbollah. And so the question is would our presence change the nature of the fight, would it just involve us deeper? It is just a very difficult situation. And would our presence in the middle of this help our humanitarian situation. I have not seen a good answer to that. So I'm very cautious. I don't see how aligning our nation with people who are aligned with Al Qaeda, our mortal enemy, helps. You know there is talk about implementing a no fly zone in parts of Syria to provide a safe haven for people, for families so they can go. That's under discussion. But it is a situation where there are no good answers.

CS: On North Korea, they seemed poised to become a nuclear state.

JD: It's a bad situation when we are looking to the North Korean generals to provide good advice. They have never played that role ever before. They are certainly not playing it now. But the person in charge is a 29 - to 30-year-old who spent I think two years of school in Europe. And we know of no other schooling that person has received. You have

somebody in charge of a country who is involved in nuclear efforts who has no idea what he's involved in. It is as if you took somebody off the street to run the United States. He's trying to impress his generals and his population that he is tough. That's what in large measure this is about. But I can assure you of one thing. If he crosses a certain line, it will be the worst day in North Korean history. We are not playing around. We are not playing any games. We have made that message abundantly clear to the North Koreans primarily through their Chinese friends. We have told China that any actions on North Korea's part will be met with equal reaction on our part. We will defend and protect the people of our country. We will defend and protect our allies. We will do whatever is necessary to make sure that this man is kept in check.

CS: You went on record recently in support of expanded background checks. Does that mean you are voting for the Toomey-Manchin gun bill?

JD: I'm prepared to vote for expanded background checks.

CS: What about the other amendments?

JD: I think that expanded background checks will accomplish 80% of what we're trying to accomplish. I'd like to see how those work before doing anything else. I had





on this very couch (in his office) some of the families from Newtown...a number of sets of parents who had lost their sons and their daughters that day. They said, "What we want you to do is to try get expanded background checks. That's where we think you do the most good." So that's what I'm going to vote for.

CS: You also recently went on record in support of marriage equality. What kind of reaction have you gotten back home?

JD: Hoosiers are common sense kind thoughtful people. I have tried in this position to be reflective of the people of our state. So I said, "Look, I think this is the right thing to do. I want to be respectful of all people and try to make Indiana a welcoming place." And I've had a great reaction to that.

CS: It seems that a spirit of bipartisanship has moved into the Senate in the past couple of weeks. Do you think that spirit will enable Congress to reach a budget deal? Is there going to be a budget deal?

JD: There's no reason there shouldn't be one. It is fairly clear how to put this together. When Bill Clinton was president, in his last year, spending was 18% of GDP, revenue was 20%. If you get in the neighborhood of 20% revenue, 20% spending then everything works out. There have been proposals from Simpson-Bowles, there have been other proposals as well. We just got together a group together of 25 Republicans and Democrats and we said "how do we get this done?" I'm hopeful we will. And, I'm hopeful when we look at this both sides will be flexible. Obviously, spending has to come down. And, revenues have to come into play.

CS: What was your reaction to President Obama's budget proposal on Social Security cost-of-living?

JD: In the areas of Social Security and Medicare, we can make adjustments to those areas, and we need to do it in a bipartisan way so it's not used as a baseball bat or as a political weapon. It is part of solid financial planning as we move forward. So if we can make adjustments to those programs, we can make them more sustainable. But we need both parties there on it.

CS: What do you think about means testing for Social Security and Medicare?

JD: That is one of the subjects that is discussed most often. There are about 6, 7, 8 areas of discussion. That's one that's discussed all the time.

CS: Are you more or less favorable to means test-

ing?

JD: If I say I'm for it then somebody else might say we can't do that. I'd rather work it out with my colleagues, and put a solid proposal together.

CS: You are following people like Birch Bayh and Senator Lugar who are considered among the greatest who ever served in the Senate. Where do you hope to make your mark as senator?

JD: I want to have it so that every Hoosier who wants a job can have a job. As you know, the district I came from in 2009 had the highest unemployment in the country, parts of it had the highest unemployment rate. This is burned into my soul. I lived through it with all the people who I cared about and who I loved and who I knew if we didn't fix it could be in real trouble. Everything works better when America is working. So I want to make sure

our economy is on solid footing for decades and decades to come. Number two is I want to be able to look at my children and grandchildren and say we put the nation's financial footing on a sustainable path for the future at the same time making sure that we were able to have a sustainable Social Security and Medicare. And that can be done, and it can be done in large measure by everyone working together. One of the things that is frustrating sometimes is watching these cable shows and they're always screaming.

But it's always the 10% on one side or the 10% on the other. Every day people are working like dogs to get this

right and to move our country forward. Whenever you saw those votes (in the House) on things like the fiscal cliff, whenever it got to the floor for a vote, you had 250-260 votes. Because that's your rock solid middle that's ready to move on issues. That's still present down the hallway. You've got a larger moderate group than we've had in years and years. And the bipartisanship you're talking about is really in place. So, to follow Richard Lugar in this seat is the honor of a lifetime. I said this to a group of young people once, following Richard Lugar is like following Mickey Mantle, and they all looked at me like "who's Mickey Mantle?" That's when I knew I was getting old. Then I said, its like following Peyton Manning and they all understood. So he and Birch and the others set a very high bar. I feel a sense of responsibility as an Indiana senator not to come in here and be the loudest guy on the block or trying to get the most attention but to do what the Hoosier model is, working hard, trying to work together, and at the end of the day saying you know I think I can get something done for the state and the country. ❖





Coats gun alternative as Manchin-Toomey falters

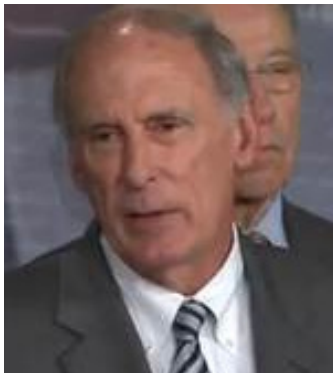
By **BRIAN A. HOWEY**

INDIANAPOLIS — As the Manchin-Toomey background check legislation faltered in the U.S. Senate, it was Indiana's Dan Coats who picked up the mantle for a more wide-ranging response to the Newtown massacre.

Coats joined Sens. Chuck Grassley (R-Iowa), Ted Cruz (R-Texas) and other senators in a press conference yesterday to introduce a substitute amendment to gun legislation being considered in the U.S. Senate. The proposal preserves the 2nd Amendment while fixing the National Instant Criminal Background Check System, provides re-

sources to help address mental health and school safety, protects veterans from false health determinations and addresses gun trafficking and straw purchasing.

The move comes after the Manchin-Toomey effort to expand background checks faltered. A visibly infuriated President Obama surrounded himself with tear-stained parents of Connecticut school shooting victims Wednesday



and declared it a "pretty shameful day for Washington" after the Senate rejected a measure designed to make it tougher for criminals to get their hands on guns. "The fact is most of these senators could not offer any good reason why we wouldn't want to make it harder for criminals and those with severe mental illness to buy a gun," Obama said. "There were no coherent arguments as to why we wouldn't do this."

Gary Mayor Karen Freeman-Wilson joined Vice President Biden on a video conference, backing the Manchin-Toomey bill. "The thing we can all agree on is no one wants to go to another funeral," Freeman-Wilson told Biden. "A mother buried two sons killed at the same time."

Indiana's senators voted alike on five of the seven gun legislation amendments (Fort Wayne Journal Gazette). Democratic Sen. Joe Donnelly favored expanding background checks and outlawing gun trafficking and "straw" purchases — where someone buys a gun for a person who cannot pass a background check — while Coats opposed both measures. Both senators voted against amendments to ban assault rifles and ammunition magazines that hold more than 10 rounds. And both voted in favor of increasing

federal prosecution of gun crimes, requiring states to honor one another's concealed-carry permits and repealing a regulation that prohibits gun ownership by military veterans who are deemed unable to manage their financial affairs.

In announcing his opposition to Manchin-Toomey earlier this week, Coats explained, "While I appreciate the good-faith effort of Senators Manchin and Toomey, I am concerned their legislation would result in more problems with our existing background check system and would not address the underlying issues with gun violence.

"As a father and grandfather, the tragedy at Newtown impacted me as it did every Hoosier parent. Both our government and society need to do more to reduce violence and ensure guns do not end up in the wrong hands. This legislation is a sensible approach that will help protect our communities while still protecting the Second Amendment rights of law-abiding citizens." ❖

Bosma suggests early end to session next week

INDIANAPOLIS — The leader of the Indiana House says he hopes this year's legislative session will end a few days early. The General Assembly faces an April 29 deadline to wrap up its business, including



adoption of a new two-year state budget (WISH-TV). Republican House Speaker Brian Bosma told members Wednesday that he thought the Legislature might be able to finish its work by the end of next week. That would enable legislators to not have to return to the Statehouse for a

final day on April 29, which is a Monday. Bosma and Senate President Pro Tem David Long both expect legislative sessions all of next week.

POLL SHOWS SUPPORT FOR MASS TRANSIT: A new poll shows 76 percent of voters in two Indianapolis-area Indiana Senate districts support paying \$3 for every \$100 earned in income if it means creating a regional transit system (Indianapolis Star). IndyCAN, a nonpartisan, faith-based organization that supports transit expansion, conducted the poll April 13-14 among 454 registered voters in Senate Districts 29 and 30. The margin of error was plus or minus 4.59 percentage points. Sen. Mike Delph said he conducted his own unscientific poll in the district, and more than half opposed paying for a transit expansion. "We used to have a mass transit system in Indianapolis," Delph said, referring to the defunct interurban. "We had a rail system, and we loved it so much we paved over it."❖



Mr. President, we're not cutting Social Security

By **SHAW R. FRIEDMAN**

LaPORTE, Ind. — Occasionally, it is up to a President's party and those most loyal to him to let him know when he's gone wrong. Sadly, our President has bought into the Washington punditry's urgings to cut Social Security benefits as part of some vague, illusory hope of a "grand bargain" with Republicans on reducing the deficit.



No matter how beloved within one's own party, it's not as if Presidents don't occasionally have to be reined by the party faithful as they seek to "triangulate" or make peace with the other side. But sacrificing core principles has to be met with strong and vigorous dissent and the President's willingness to cut cost of living adjustments for Social Security recipients is absolutely the wrong recipe for deficit reduction.

One can only imagine how different history would have been if Democratic progressives had been able to halt President Clinton's two biggest mistakes while in office – his support for the NAFTA treaty that gutted the industrial heartland and meant millions of American manufacturing jobs offshored and his equally wrongheaded 1999 support for repeal of Glass-Steagel, the 1935 Depression-era Act that wisely required separation between a bank's customer deposits and the bank's own investments.

Sunday's Op/Ed page of the South Bend Tribune had two articles posted right next to each other that juxtaposed nicely the conservative theory of deficit reduction from what would best be called a progressive solution.

On the one hand, we had Doyle McManus of the Los Angeles Times trying to explain how moving from the cost of living adjustment to chained CPI would mean only a nominal reduction in Social Security benefits but a savings of \$220 billion over ten years. However for struggling seniors or disabled vets for whom those Social Security benefits can mean all the difference, the estimated cut in annual benefits from \$12,900 annually to \$12,200 annually is a big deal. Why in the world should we target the aged and infirm for cuts when we haven't begun to recoup much needed tax revenues from scofflaw corporations hiding trillions of dollars of taxable income offshore?

That same Op/Ed page where a Washington pundit like McManus tried to justify a cut in cost of living increases also featured a well written piece by Alec Sprague, midwest

organizer for Indiana Public Interest Research Group (IN-PIRG). Sprague wrote eloquently how Indiana government is losing out \$730 million in revenue annually from untaxed corporate profits stashed in tax havens like the Cayman Islands.

Each year, the federal treasury loses \$150 billion in revenue to offshore tax havens by American corporations that feel no more allegiance or obligation to this country than some Chinese corporation. At least 83 of the largest 100 publicly traded U.S. corporations now have subsidiaries in tax haven countries.

Most obscene are the big banks like Wells Fargo, Bank of American, Goldman Sachs and J.P. Morgan Chase that each benefited from taxpayer bailouts in 2008 and 2009 still squirling away billions offshore while shirking their U.S. tax obligations.

Mr. President – you said it yourself in your State of the Union speech just a few months ago: "Corporate profits have skyrocketed to all time highs, but for more than a decade, wages and incomes have barely budged. It is our generation's task, then, to reignite the true engine of America's economic growth: a rising, thriving middle class."

That middle class depends on Social Security and the safety and assurance of knowing benefits will truly keep pace with inflation and the cost of living. Social Security is one of the hallmark accomplishments of the Democratic Party and we as a party have made an unshakeable pact - a covenant if you will with voters. Voters have come to depend on Democrats to defend with our last breath their Social Security and Medicare benefits.

Let's be honest from an economic standpoint. We're seeing a lackluster recovery that can only be hurt further if we take more disposable income out of the hands of the middle class and that means you don't cut Social Security benefits that are spent by consumers.

Fortunately, there are enough stand-up Democrats in Congress, who while they may feel great affection and support for this President, will not allow him to cave and give on something so fundamental as Social Security. Mr. President – you need revenue for deficit reduction. Let's start with the corporate scofflaws who are sitting on a couple trillion in untaxed cash in offshore bank accounts. You will find Democrats ready to march with you in that crusade. ❖

Shaw Friedman is a LaPorte attorney who is former Counsel for the Indiana Democratic Party. He was one of two Hoosier Democrats who helped write the 2012 Democratic National Platform at Platform Committee hearings held in Detroit, Michigan.



Politics doesn't take a break in Lake County

By **RICH JAMES**

MERRILLVILLE - You wouldn't know this is a non-election year in Lake County.

There is nothing tranquil about the political scene. In fact it is getting nasty and promises to get even more confrontational.

Two moves last week – one by each party – have the two county chairmen calling each other names. Early in the week, the County Council gave first reading approval to a local option income tax. The two Republican members of the council voted against the tax.

That drew the ire of county Democratic Chairman Thomas McDermott, who also is Hammond mayor.

"Downstate Republican legislators have told us we must pass this tax, but local Republicans are beating us up for doing it," McDermott told *The Times of Northwest Indiana*.

The Democratic chairman added, "Just come clean (county GOP) Chairman (Dan) Dernulc and Councilman (Eldon) Strong and do what the rest of your Republican Party has been telling Lake County to do for years."

Dernulc said he wasn't beating up anyone and added, "Why should the Legislature be telling us what we should be doing?"

Strong had his own two words, saying, "Tom McDermott didn't elect me. I'm doing what I think is right for Lake County. If Tom McDermott disagrees with me, so be it."

In the end, McDermott is right.

Downstate Republicans have been telling Lake County for at least two decades that if you want help from the Legislature you have to help yourselves first. That means the adoption of an income tax.

When Lake County continued to refuse to adopt an income tax, the Legislature froze the levies of all taxing units in the county. That pretty much was a bipartisan move that was signed into law by Republican Gov. Mitch Daniels in 2007.

As a result, Lake County taxing units have been suffering financially as they face increased costs but no additional money.

A day or two after the council voted for the income tax, the Indiana House – on a motion by Republican Hal

Slager of Schererville – voted to lift the levy freeze. The Senate must still act.

Council President Ted Bilski, said the timing of the Republican-controlled Legislature's action was political.

"We have been asking them to lift the freeze for five years; why did they wait to do it now?" Bilski said. That is what has McDermott so hot.

Even if the freeze is lifted, it won't provide the kind of money Lake County taxing units need. The tax would open the door for expanded commuter rail and public transit as well as a host of other economic development projects.

But McDermott said if the freeze is lifted and Democrats continue to pursue the income tax, it is nothing but an effort to make Democrats look bad.

More importantly, if the county fails to enact the tax, the county will hear the same old chant from downstate Republicans – if you want help from the Legislature, you need to help yourself.

Contrary to what Strong said, McDermott is the one doing what is best for the future of Lake County. ❖

Rich James has been writing about state and local government and politics for more than 30 years. He is a columnist for NWI Times.



Lake County Republican Chairman Dan Dernulc is questioning why the Indiana General Assembly is forcing Lake County government on income taxes.



Pence appoints Costas to higher ed

INDIANAPOLIS - Gov. Mike Pence today announced the appointment of Mayor Jon Costas of Valparaiso to the Higher Education Commission. The 14 member Commission defines the educational missions of public colleges and universities.

"Mayor Jon Costas is a true public servant who takes great pride in serving the people of Valparaiso," said Governor Pence. "His leadership abilities and integrity are important strengths to have on the Higher Education Commission." As Mayor of Valparaiso since 2004, Costas has helped to transform and revitalize the city. His accomplishments include adding a new police and fire station and ambulance service to the city's downtown. ❖



The merit system ain't broke, but the fix is

By JACK COLWELL

SOUTH BEND – If it ain't broke, don't fix it. That sound advice is ignored repeatedly by politicians who want to change the merit selection system for selection of St. Joseph County Superior Court judges. The system has worked well for four decades.



An attempt to scuttle the merit system was soundly defeated earlier when offered as an amendment in the Indiana House.

But rumors abounded last week about other attempts before legislative adjournment to change selection to one for allegedly non-partisan election of the judges - a system similar to the one which has brought such peace and harmony to the South Bend School Board.

There will be other attempts. If not yet this session, in some future session. Politicians just can't keep their hands off judgeships. They want the judgeships and judicial patronage.

Back in the '09 session, the fix was in. A bill actually passed to replace the St. Joseph County merit system with elected judges. It was part of a shady multi-million-dollar deal in the General Assembly that included creating three new, unneeded and costly state judgeships.

Gov. Mitch Daniels came to the rescue, killing that judge-grab with a veto.

Referring specifically to the part of the deal affecting St. Joseph County judges, Daniels said in his veto message that the merit system had worked successfully. He added:

"It is a model to be emulated, not discarded. It is not broken; it requires no repair. It has produced outstanding jurists and contains sufficient measures of public accountability. I believe it neither necessary nor wise to re-politicize the courts of St. Joseph County."

Daniels was right. Exactly right.

And Daniels and other governors, including current Gov. Mike Pence, deserve a lot of credit for enabling the merit system to work so successfully with qualified appointees. The county has avoided the scandals with elected judges seen in many other Indiana counties, including counties adjacent to St. Joseph County.

The merit system works this way: A committee

of prominent citizens and members of the legal profession select finalists for the bench, with the governor making the final decision on an appointee. Voters later can retain or remove an appointee, but judges are not in competitive election battles in which special interests can buy involvement and attorneys who will practice before the winner can buy favor.

Daniels also objected to the three unneeded Court of Appeals judges provided in the bill, even though he would have appointed them. He said if he were to sign a bill linking additional state judges with scuttling the St. Joseph County merit system, it could create "the appearance that my acquiescence was purchased with more appointments." Yes, it would have. That was legislative intent. Daniels, to his credit, would have no part of it.

Why do some legislators - and some of the politicians they listen to back home - want to destroy the merit system?

Various reasons: Some political. Some personal. Most involving lack of understanding of St. Joseph County elections and what happened before merit selection. Some may indeed desire to get their hands on judgeships for themselves or their families or their friends. Some see a better chance to get judges of a particular ideology through appeal to voters rather than through a merit system. Party leaders who can't influence the merit committee may believe they have a better chance to get their partisan choices selected through election campaigns.

Proponents of doing away with merit selection, even when concocting a fix like the '09 deal, always say for public consumption that their reason is that voters demand a chance to elect judges. That is not true. There is no public outcry for elected judges. The only outcry is by politicians who want the control and the patronage.

An outcry for keeping the merit system does come from the Bar Association, the Chamber of Commerce and civic leaders who agree with Mitch Daniels that it is "neither necessary nor wise to re-politicize the courts."

Gov. Pence appears to have followed the tradition of other governors, both Democrats and Republicans, of picking qualified appointees from lists of merit finalists. He just made two appointments. Both seem to be good choices, with good reputations and sound legal backgrounds.

The merit system ain't broke. But politicians keep trying to "fix" it. ❖

Colwell has been covering Indiana politics over five decades for the South Bend Tribune.



Our anger rests on varied values

By **MORTON J. MARCUS**

INDIANAPOLIS — The rancor and moral outrage of the left and right over various current issues eats at the very core of civilized discussion. Whether the topic is abortion or gun control, immigration, taxes or government subsidies of the private sector, the emotions of those who disagree dominate the discourse which has become mean spirited.



There are those in my family and among my friends who would roundup and deport all illegal immigrants. Others within my family or among my friends would provide full government services and speedy citizenship for such "illegals." The two

sides see each other as deficient in judgment, to be polite about calling another person crazy.

Extremists, regardless of label, are unwilling to grant the validity of the other side's set of values. Naturally, they question each other's facts since satisfying statistics or impressive opinions support both sides.

Let's look at improved transit for the Indianapolis metro area. "Too costly relative to the benefits" is the argument of the foes, while the pros envision a progressive community realigning itself with necessary changes.

The pros see the foes putting roadblocks in the path to settling the issue. The foes, however, feel the entire question is being rushed to judgment before enough is known about the proposal and its outcomes. These are standard arguments based on the scenarios of those with differing beliefs and preferences.

Those who want guns in schools to protect our children imagine a world in which good triumphs over evil at the point of conflict. Those opposed to guns in schools imagine a world in which new horrors are likely with the increased level of force available to too many people with quick trigger fingers.

Gambling and the Indianapolis Motor Speedway (IMS) are less emotional issues, but advocates for all sides often leave the rails of moderation and charge off demonizing their opponents. Nonetheless, the questions about gambling and the IMS are rooted in common soil.

Is either gambling or the IMS a business that deserves protection by the state? In both cases we find private entities with difficulties meeting their competition. New gambling venues in other states impact our domes-

tic gaming sites and the state's revenues. The IMS has neglected to update its facilities and now seeks a subsidy from Indiana to regain a preeminent position in auto racing. Opinions on gambling and business subsidies are strongly held in the Hoosier state.

Medicare and Social Security are topics that can raise the temperature in any room. Medicaid and welfare, with or without drug testing, are guaranteed to start a vigorous debate where people with different value systems meet.

School vouchers are another area of intense disagreement. Advocates insist that vouchers are necessary for freedom of choice, while critics see vouchers as instruments that will destroy the public schools and their mission of equal opportunity for all.

These are not economic questions alone, if at all, but philosophical issues before the legislature. Sadly, the Indiana General Assembly has few philosophers to sort out the questions and to look ahead for answers. ❖

Mr. Marcus is an independent economist, writer and speaker. Contact him at mortonjmarcus@yahoo.com

The Washington Post
SATURDAY, DECEMBER 29, 2007

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

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Tired of budget shenanigans? Here's an answer

By **LEE HAMILTON**

BLOOMINGTON — With the formal release of President Obama's budget, the pieces are finally in place for a reprise of the Washington drama we've all come to know. There will be high-stakes negotiations, lines in the sand, and enough intrigue to keep Beltway insiders riveted by every piece of breaking news.



The rest of us, though, are already worn out. In repeated conversations with ordinary people, I've been struck by the immense frustration I've encountered. They're tired of brinksmanship and constant fiscal crisis. They're fed up with accusations, spin, fear mongering, and intransigence. They've had it with a complex, opaque process when the outline of a solution — controlling spending and entitlements, raising revenues

to meet the country's obligations, and investing in economic growth — seems evident. Above all, they're weary of a government that appears addicted to crisis. Why, they wonder, can we not pass a budget in an orderly, rational way?

It's a good question, though the answer is hardly reassuring: I believe Congress no longer knows how. Talking to a group of younger members recently, I realized they'd had no experience of following regular procedures to craft a budget. They've spent their congressional careers watching the leadership put it together in an ad-hoc, crisis-fueled manner. True budget-making skills on Capitol Hill are eroding. It's in danger of becoming a lost art.

Yet it need not be. There is a time-honored process that we can rejuvenate at any time for constructing a budget. On Capitol Hill, it's known as "the regular order."

This is the insider's way of referring to procedures that Congress developed over our history as a nation. Their guiding principle is to provide a coherent and well-structured way of deciding in detail where our national priorities ought to lie, and then funding them. They were designed to give members of Congress a clear, fair way to scrutinize, consider, debate, and reach consensus on the divisive issues that go along with taxing and spending.

The last time Congress passed a regular-order budget, not an omnibus spending bill, was 1997. Though it was far from a tidy process, its abandonment, I believe, is what has produced our current mess.

So what is the regular order? The President submits a budget on time (not two months late, as President Obama has just done). Then congressional committees and subcommittees take it up, dividing their work according to the departments of government — agriculture, defense, transportation and the like. They hold hearings, call witnesses, explore what the executive branch has done with its money in the past, and consider its plans for the future. They debate and draft their own proposals, and allow amendments from both parties. Once the full committee acts, its measure goes to the floor for further debate, amendments, and a vote. Eventually, the bills arrived at separately by the House and the Senate get reconciled and go to the President to be signed.

The advantage of the regular order, in addition to its transparency and accountability, is that it spreads the workload and makes room for the expertise and considered judgment of a wide array of legislators. In the past, the leadership deferred to experienced committee chairmen who knew the issues they were confronting inside and out, and who had a talent for drafting legislation. Rank-and-file members had a chance to influence the outcome through amendments and debate. The process played to Congress's core strength of deliberation.

Not any longer. Now, huge omnibus bills and continuing resolutions — not to mention the mindless cudgel of the sequester — are put together by a handful of leaders and their staffs. They don't have specific, detailed expertise, and they're more interested in seeking partisan advantage than in fair process or effective legislating.

Too often in the past, members of Congress have sought some automatic budget mechanism — a balanced-budget amendment, say, or budget caps — to solve their problems. Mostly, these have been a way to avoid the hard choices required by the regular order. In the end, there's no substitute for experience, knowledge, hard work, compromise, and a resolve to seek solutions. That's what the regular order would encourage. It's time for Congress to stop paying it lip service and actually revive it. ❖

Lee Hamilton is Director of the Center on Congress at Indiana University. He was a member of the U.S. House of Representatives for 34 years.



Eric Bradner, Evansville Courier & Press: The coal and labor lobbies flexed their muscles at the Statehouse last week, surprising the House speaker and narrowly winning a vote that, for the moment, spared the Rockport coal-to-gas plant from the legislative chopping block. The way it happened was fascinating political theater — one that involved a vote-counting tactic that should infuriate voters because it allows lawmakers to make critical decisions without having their positions counted on the official record. The Indiana House was considering an amendment offered by Rep. Matt Ubelhor, R-Bloomfield. He was proposing to rewrite a bill that developers of the Rockport plant said would have killed their efforts in a way that is much more likely to result in the project going forward. House Speaker Brian Bosma, R-Indianapolis, had expected Ubelhor's amendment to be defeated. So did House Utility Chairman Eric Koch, R-Bedford, who had drafted the previous version of the bill, and the bill's sponsor, Rep. Suzanne Crouch, R-Evansville. But Bosma and House Minority Leader Scott Pelath, D-Michigan City, knew it was a tough call for their members either way. They seemed to be in sync in deciding that they didn't want those members' votes to be recorded through a roll call. Instead, they used an option called a "division."

The supporters of Ubelhor's amendment stood and were tallied by hand, and then the opponents stood and were tallied by hand, without any official record of who voted how. As supporters of Ubelhor's amendment stood, it became clear that Bosma had miscalculated. The amendment passed, 48-42. On the vote, the rest of Southwestern Indiana's delegation broke with Crouch, Bosma and Koch. In favor of Ubelhor's amendment — and therefore saving the Rockport project — were Reps. Gail Riecken, D-Evansville; Kreg Battles, D-Vincennes; Wendy McNamara, R-Mount Vernon; Thomas Washburne, R-Evansville; Ron Bacon, R-Chandler; and Mark Messmer, R-Jasper. Perhaps more significantly, another supporter of Ubelhor's change was Rep. Tim Brown, the Crawfordsville Republican who chairs the budget-writing House Ways and Means Committee and whose decision to break from his party's leadership is highly unusual. Afterward, Bosma admitted he was "surprised."

A similar reaction likely took place in the office of Gov. Mike Pence, who had expressed his support for the bill in its previous form. The next few days will be important to watch. Crouch could call the bill down for a vote in hopes of overhauling it later in a joint House-Senate conference committee, but that would carry the risk of the bill being defeated and the entire issue dying. Or she could let the bill founder without a vote in hopes of amending its contents into another bill — possibly even the state's budget — during the conference committee stage. If a Rockport-relat-

ed measure gets that far, the final votes in the House and Senate would pit Indiana's most powerful outside interests against each other. ❖

Abdul-Hakim Shabazz: Last week, U.S. Sen. Joe Donnelly, D-Ind., demonstrated a concept I have come to label as "enlightened self-interest." That means you do the right thing not only because it is the right thing to do, but you also get a benefit out of it. In Donnelly's case, it was coming out (pardon the pun) in favor of marriage equality, or in other terms, same-sex marriage. Donnelly in the past had opposed same-sex marriage so this change was pretty big news across Indiana. Now some have argued that Donnelly was either only doing this for political reasons or that he will pay a price when he is up for re-election. By the way, that won't be until 2018.

And that is the political genius of this move. We all know attitudes have been changing at road-runner speed on this issue over the last decade or so. When Gallup polled the issue back in 1996, only 27 percent of the public supported same-sex marriage and 68 percent opposed it. I think it's also worth a mention that 1996 was the year "The Birdcage" was released in movie theaters. Fast forward to the most recent Gallup poll done in November of last year and you'll see that 53 percent of the public favor of gay marriage and 46 percent are opposed. Break that number down even further by age group and you'll see that 73 percent of Americans 18 to 29 think gay marriage should be legal, while 57 percent of those over 65 think it should be illegal. I am willing to bet there will be more of 18- to 29-year-olds around in 2018 than 65-plus. If these trends continue, and there is no reason to think that they won't, time is definitely on Donnelly's side. ❖

Mark Bennett, Terre Haute Tribune-Star: In the wake of Monday's sad, horrific bombings at the normally festive finish line of the Boston Marathon, I recalled what a tour guide at the Library of Congress told me in the summer of 2011, as the 10th anniversary of 9/11 approached. The woman, a Terre Haute native, had lived and worked on Capitol Hill for 17 years. She could remember riding her bike across the Capitol grounds to her job on clear days. Security restrictions prevent that now. Library visitors must remove belts before entering. Scanners probe tourists at most official buildings. Bottles of water can't be taken into the Capitol. The specter of what could happen, made agonizingly apparent on 9/11, forced a transition. Waits, limits and inspections were the tradeoff for a sense of safety. "It's not something we are any more immune to because we live in this country," she said, "and I think we've had to learn how to deal with that." ❖





Arrest in ricin letter to Obama

OXFORD, Miss. -- A Mississippi man was arrested Wednesday, accused of sending letters to President Barack Obama and a senator that tested positive for poisonous ricin and set the nation's capital on edge a day after the Boston Marathon bombings (Associated Press). Paul Kevin Curtis, 45, was arrested at 5:15 p.m. at his apartment in Corinth, near the Tennessee state line about 100 miles east of Memphis, said FBI Special Agent in Charge Daniel McMullen. It wasn't immediately known where he was being held. Authorities still waited for definitive tests on the letters to Obama and Sen. Roger Wicker, R-Miss. Preliminary field tests can often show false positives for ricin. The letters were intercepted before reaching the White House or Senate. Ricin is derived from the castor plant that makes castor oil. There is no antidote and it is at its deadliest when inhaled. An FBI intelligence bulletin obtained by The Associated Press said the two letters were postmarked Memphis, Tenn. Both letters said: "To see a wrong and not expose it, is to become a silent partner to its continuance." Both were signed, "I am KC and I approve this message."



Coats, Donnelly sponsor Farm Flex

WASHINGTON - U.S. Sens. Dan Coats (R-Ind.) and Joe Donnelly (D-Ind.) today introduced The Farming Flexibility Act of 2013 (Farm Flex), legislation that would benefit Indiana specialty crop producers and save

taxpayer dollars. The Farm Flex legislation would permanently implement a current pilot program that allows farmers to voluntarily forgo federal subsidies and opt out of restrictions on fruit and vegetable production so they can produce specialty crops to meet growing market demands. "This bill is a win for Hoosier farmers and American taxpayers," said Coats. "Our legislation would provide farmers the flexibility they need to respond to market signals when making planting decisions, rather than be restricted by federal rules to grow a particular crop. The Farm Flex plan is a successful, tested, market-based program that has proven to save taxpayer dollars. By expanding this program nationwide and making it permanent, we can empower crop producers and farmers to have more control over their businesses without the government playing an unnecessary role in agriculture." "I am proud to join my friend Senator Dan Coats in introducing this common sense legislation that gives Indiana's fruit and vegetable farmers the flexibility they need to make the best planting decisions," said Donnelly. "I fought for the inclusion of the Farm Flex program in the 2008 Farm Bill, and as a member of the Senate Agriculture Committee, I look forward to working on a five-year farm bill that gives Indiana's rural communities the certainty they deserve."

Indiana explains foreclosure plan

INDIANAPOLIS - Confronting a problem government doesn't usually face — difficulty giving away free money — the state has overhauled its foreclosure prevention fund so more Hoosier homeowners are eligible for its aid (Indianapolis Star). State officials on Wednesday outlined changes to the little-used Hardest Hit Fund that they hope will make it more attractive to

homeowners who have fallen behind on their mortgage payments and need help. Since the fund was established two years ago, only 1,541 Indiana homeowners have received the fund's free federal money despite near-record-high foreclosure rates around the state. The solution: The state has widened eligibility for homeowners and boosted payment levels, from a maximum of \$18,000 to as much as \$30,000 per household. Participation is now expected to reach 10,000 homeowners. "Homeowners are ecstatic to the point where they find it hard to believe this service is actually available," said Teresa Donaldson, foreclosure prevention manager at Community Action of Greater Indianapolis, a nonprofit agency whose services include foreclosure counseling.

Illinois House passes med pot

SPRINGFIELD, Ill. — The Illinois House Wednesday approved a measure to let people use marijuana for medical purposes, giving the proposal its best chance of becoming law in recent years (Chicago Tribune). The House sent the bill to the Senate on a 61-57 vote. The Senate previously has passed similar legislation. Proponents say the legislation, which would set up a four-year pilot program, would be the most restrictive in the nation. Seventeen states and the District of Columbia have approved some form of marijuana use for medical purposes. The legislation, sponsored by Rep. Lou Lang, D-Skokie, had come close in the House but previously fallen short. Passing the House was viewed as the biggest hurdle in the legislature because the Senate previously has passed a similar bill, though not this year. At the Capitol earlier today, Gov. Pat Quinn said he is "open-minded" on the issue.