

Coats exits Trump's Munchian maw



Director of National Intelligence spoke truth to power; leaves Trump's 'acting' administration

By **BRIAN A. HOWEY**

INDIANAPOLIS – Perhaps on Tuesday, Aug. 20, we'll find private citizen Dan Coats at Wrigley Field, tak-



ing in the Cubs-Giants game. Or, perhaps, he'll wait for that day game on Aug. 23 against the Washington Nationals.

We can hope that this Hoosier patriot, who never lost an election, who was willing to walk away from the money-grubbing political swamp at least twice, will treat himself to a beer, a brat and sing "Take me out to the ballgame" soon.

Continued on page 3

Pence's reckless gambit

By **BRIAN A. HOWEY**

ELLICOTT CITY, Md. – One of the most fascinating political sagas of my now 40-year journalism career is how Mike and Karen Pence have orchestrated his ascension onto the national stage. It has been a meticulous crusade of control. As a congressman and governor of Indiana, Mike Pence rarely strayed from a tight set of talking points. His inner circle is constricted, mute and guarded.



Google "Mike Pence" and "bizarre quotes" and you find the Pence talking points that most Indiana Statehouse reporters could recite in rote. With just about any other conspicuous candidate, such a search brings a trove of gems.



“When David Duke ran for governor, the Republican Party 20 years ago ran away from him. Today they are supporting naked racism in the White House or are, at best, silent about it.”

- Mayor Pete Buttigieg, during Tuesday's night's Democratic debate.



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Meeting at the Double T Diner with soon-to-be book author Tom LoBianco here in Ellicott City last week in what is part of U.S. Rep. Elijah Cummings' congressional district was illuminating. This is a lovely old town nestled in a river valley just west of Baltimore. A few nights before, I had dinner in Baltimore and was wary of its dangers, just like I would be in some Indianapolis or Chicago neighborhoods. A friend of mine warned me she had just been mugged down by the harbor. But Ellicott City was cool, and here was President Trump painting it in broad-brush strokes as a rat-infested congressional district represented by the "racist" Cummings. It would be like portraying Beech Grove in the same light as Haughville.

I was meeting LoBianco ahead of publication of his book "Piety & Power: Mike Pence and the Taking of the White House." In cleaning out old filing cabinets the prior week, I had found Mike Pence radio show newsletters from the mid-1990s that I thought would be of interest to LoBianco. These were the very sort of relics that the Pences, consigliere Bill Smith and former producer Todd Meyer had sought to wipe away from the public record. The audio tapes of Pence's old radio and TV shows have disappeared, and I hadn't seen these early newsletters with Pence consorting with Newt Gingrich, David McIntosh and other conservatives (and even some moderates, liberals and enemies of the American people) in the public light since Pence became a political powerhouse.

These will become fascinating reads in the coming couple of months as Pence's career is illuminated in much greater detail by LoBianco.

Within this context, it is absolutely stunning to watch Vice President Pence consign such a controlled career to Donald Trump's motorcycle sidecar as the latter launches into the most racially-tinged presidential chapter since Alabama Gov. George C. Wallace ran in 1968. Trump's Twit-

ter assaults of Cummings' congressional district were just the latest in racially volatile jabs at opponents, be they "The Squad" of House freshman Democrats or the Rev. Al Sharpton. I'm sure other African-American targets are just over the horizon.

According to a new Quinnipiac Poll, the nation is divided over whether Trump is perceived as a "racist" – 51% say yes, 45% no; most Republicans don't think so. Those are astonishing stats. Ronald Reagan's "Shining City on a Hill" and George H.W. Bush's "Thousand Points of Light" have had the window shades drawn. The Party of Lincoln has



morphed into a dystopian Trumpian cult of personality. History will eventually record who spoke out, and who stood silently by. These aren't the views of this writer; these indicative of the troubled chatter of my GOP friends and contacts here in Indiana.

The "strategy" (Trump insists there isn't one) is startling. It appears to be aimed at his 43% base that would vote for him if he shot someone on 5th Avenue, or if Kim Jong-Un embarrassed him by lobbing missiles toward Japan after the president insisted he's no longer a nuclear threat. It appears to be designed to stroke the disaffected and paranoid working-class folks of Michigan, Wisconsin and Pennsylvania, the three "blue wall" states that brought him his startling 2016 upset.

Perhaps it will work. But I keep coming back to the fact that Hillary Clinton will not be on the ballot in 2020, and she was a big reason why

Trump found those 80,000 votes that delivered the presidency to him in such unexpected fashion.

That 2016 upset was a stunner to the calculating Pences. Mike was supposed to rally the troops to “come home.” The election would be closer than expected, but Hillary was supposed to win. Even Trump didn’t think he would win. Pence would get a Fox News talk show, crisscross the nation stumping for Republicans just like Nixon did in 1966, collecting a bevy of IOUs. His time was supposed to be 2020. Karen Pence refused to kiss her husband on election night 2016 because their – and God’s – plans had been interrupted.

Pence would be consigned to the role of loyal veep. He will forever be associated with President Trump’s rhetoric and actions and his racially-motivated set of divisive tropes. And that is uncharacteristically reckless for the Pences.

As governor, Pence was quite aware of race. He dutifully appeared at the Indiana Black Expo. He had relationships with the 10-Point Coalition. When the journalist Amos Brown died unexpectedly, Pence honored him posthumously with the Sachem Award. Whatever perception you had about Gov. Pence, the word “racist” was not part of the parlance.

Until now.

NBC’s Chuck Todd compiled a dual set of video clips of Trump and George Wallace on Tuesday’s “Meet The Press Daily.” The rhetoric was, in a number of cases, almost identical.

So, tonight Donald Trump and Mike Pence will

host a MAGA rally in, of all places, Cincinnati. It is a city with a complex and violent racial past going back to 1829, and most recently in April 2001 when five days of riots occurred over a police-action shooting. These were the last widespread riots since 1992 in L.A. Trump comes to the Queen City, birthplace to one of “The Squad” congresswomen, who Trump had tweeted should “go back” to her home country.

This will follow the MAGA rally in Greenville, N.C., last month where the crowd chanted “Send her back!” as Trump savored the moment for 13 seconds. He later disavowed the chant, and Vice President Pence said he “might” seek to stop such outbursts in the future. That future is tonight in Cincinnati.

Will they be chanting “Send her back!”? Will Trump or Pence attempt to stop the gathered Buckeyes, Hoosiers and Kentuckians when they inevitably do? And how will folks inside the I-275 beltway react? Will frozen turkeys pummel the city from black helicopters?

In my view, this is flint and spark in extreme drought conditions. President Trump is not uniting America; he is exploiting the urban/rural divide along racial lines that are pulled taught these days. Just ask the folks in South Bend.

Whether you perceive it as “racist” is a personal call. An errant spark goaded by the right quote at the wrong time could have devastating consequences.

And the stunning development here is that the careful, calculating Mike and Karen Pence are willing to risk everything on this. Has either read Faust? ❖

Dan Coats, from page 1

Dan Coats deserves it.

But the trade-off for the rest of us is that of Edvard Munch’s “The Scream,” or the warning from David Cronenberg’s “The Fly” remake: “Be afraid, be very afraid.”

When Dan Coats leaves as director of national intelligence on Aug. 15, the last of the “grown-ups” from Donald Trump’s White House will be gone. He follows Defense Sec. Jim Mattis, Chief of Staff John Kelly, Secretary of State Rex Tillerson, National Security Advisor H.R. McMaster and others who were seen as the “guardrails” for the unpredictable Trump, who now presides over an administration increasingly staffed by “acting” secretaries and directors. These actors now toil with a side-glance for every presidential whim. Screw up and, well, “You’re fired.”

Next!

Supposedly taking Coats’ place will be U.S. Rep. John Ratcliffe of Texas, a former

small town mayor and district attorney who claims to have prosecuted terrorism cases, though there is no evidence that he did. He is a political defender of Trump, who has auditioned on Fox News, which is now the proving ground for economic advisors, United Nations ambassadors, and White House and Foggy Bottom communicators.



Director of National Intelligence Dan Coats welcomes the World Series Champion Chicago Cubs to the Oval Office with President Trump.

When the director of national intelligence, or DNI, position was created by Congress after the Sept. 11, 2001, terror attacks, it was designed to be an intel clearing house, coordinating 16 federal agencies so that someone might flag the notion that Saudi pilot trainees in Florida and Minnesota weren't really interested in landing 737s.

When DNI was staffed beginning in 2005, there was John Negroponte who had served as ambassador to failed states in perceived American crises. He was followed by Navy intelligence officers (Vice Adm. Mike McConnell), Navy commanders (Dennis Blair), and leaders from the Defense Intelligence Agency (Lt. Gen. James Clapper).

Coats' pedigree came in the hours after the 9/11 attack. He had just been sworn in as U.S. ambassador to Germany. In that capacity, Coats played a vital role in the invoking of NATO's Article V, which brought the alliance to America's side as it began assaulting al-Qaeda warrens in Afghanistan. It is the only time in seven decades that Article V has been activated. A visibly moved Coats embraced the clenched-jawed German Chancellor Gerhard Schroeder in front of 200,000 Germans who rallied with the U.S. at the Brandenburg Gate the weekend after the attacks.

As I wrote last year, it was the NATO alliance at its inspirational best. It is a sharp contrast to President Trump's vociferous criticism of NATO and the fact that he had to be coaxed into endorsing Article V.

Coats was planning to ease into retirement at the end of his U.S. Senate term from Indiana when Trump pulled off one of the most unexpected upsets in presidential history in November 2016. At the behest of Vice President-elect Mike Pence, Coats was coaxed into a new era of service. I haven't talked to Coats since the Republican National Convention in Cleveland in July 2016, but I suspect that when I do, the DNI stint will have been his toughest assignment since he followed Dan Quayle into the U.S. House way back in 1980. In 1988, he was selected by Gov. Robert Orr to finish Vice President-elect Quayle's term in the Senate.

As Trump freelanced and disparaged U.S. intelligence agencies, Coats was often caught off-guard. When Trump met with Putin in Helsinki in July 2018 and seemed to reject U.S. intelligence assessments that the Russians had assaulted the 2016 presidential election process, Coats issued a terse statement, saying, "The role of the Intelligence Community is to provide the best information and fact-based assessments possible for the President and policymakers. We have been clear in our assessments of Russian meddling in the 2020 election."

Trump had said, "My people came to me — Dan Coats came to me, some others — they said they think it's Russia. I have President Putin. He just said it's not Russia. I will say this: I don't see any reason why it would be."

It has been reported that Coats did not receive



Ambassador Coats with German Chancellor Schroeder (top) and 200,000 Germans at the Brandenburg Gate following the Sept. 11 attacks, and in 2018 learning from NBC's Andrea Mitchell about a proposed White House visit by Russian President Putin.

a read-out of the private Trump/Putin meetings, though there is speculation that U.S. intelligence agencies gleaned some of what they discussed through clandestine Russian sources.

A few days later, Coats was informed by NBC correspondent Andrea Mitchell during the Aspen Conference of a proposed White House visit in October 2018 by Putin. He was thrown for a loop in front of a cable TV audience. "That's going to be special," Coats said. President Trump was not amused, but the Putin visit was later called off for fears of the potential political impact on the mid-term election.

Last January, Trump openly refuted intelligence claims by Coats and CIA Director Gina Haspel on the viability of ISIS, Iran's nuclear capabilities, and North Korea

obtaining nuclear weapons. "They said they were totally misquoted and totally taken out of context," Trump said. "They said it was fake news."

What were Coats' assessments? "We assess that foreign actors will view the 2020 U.S. elections as an opportunity to advance their interests," Coats said of Russia in a congressional hearing. "We expect Russia will continue to wage its information war against democracies and to use social media to attempt to divide our societies. The Kremlin has aligned Russia with repressive regimes in Cuba, Iran, North Korea, Syria and Venezuela, and Moscow's relationship with Beijing is closer than it has been in many decades."

At a meeting hours later in the Oval Office, Trump was seen in a stare down with Coats over the Resolute Desk. "I've disagreed with certain things that they've said. I think I'm right, but time will prove that," Trump responded after he was asked about his level of confidence in Haspel and Coats.

There have been numerous reports over the past year that Trump was tiring of Coats and seeking to fire him, with Pence providing a shield. While Trump has said several times that he will seek reelection with Pence in 2020, there are many in Washington who view Trump's loyalty as a one-way street. This move could be another such indicator.

Why do I invoke Edvard Munch's "The Scream" and the kind of fear that President Franklin Roosevelt told us to ignore?

Because Coats told President Trump things he didn't want to hear or know. Trump doesn't want to hear about the Russian assault on the U.S. election because he believes it taints his upset victory. Trump ignores the current threat (see page 6), which avails a nightmare scenario in November 2020, when a Kremlin assault could throw the results in a state or two into doubt, injecting chaos and trauma into the most sacred aspect of American



democracy: Untainted elections and the peaceful transfer of power.

Last week a bipartisan report from the Senate Intelligence Committee concluded that all 50 state election systems were targeted by the Kremlin in 2016. The report describes "an unprecedented level of activity against state election infrastructure. Russian cyber-actors were in a position to delete or change voter data" in the Illinois voter database.

Imagine the diabolical Vlad Putin with a chance to discredit

the cornerstone of the fragile American experiment? If something keeps Dan Coats up late at night, it is not Kyle Schwarber's knee or a sweep by the St. Louis Cardinals. It is a discredited U.S. presidential election.

Coats has been on to Putin's hijinks. He co-sponsored a Senate resolution in 2014 to punish Russia following Putin's annexation of Crimea shortly after the Winter Olympics. The Kremlin subsequently announced Coats' travel to Russia would be restricted, to which the Hoosier senator responded, "While I'm disappointed that I won't be able to go on vacation with my family to Siberia this summer, I am honored to be on this list."

So now we find the president in denial who simply wings it, who tells us that North Korea is no longer a nuclear threat, and is itching for a fight with the ayatollahs in Iran. This is a president who doesn't give a damn if the Saudis murdered and dismembered a Washington Post columnist, lest it spoil an arms deal and prevent Yemeni genocide.

Trump will find someone for DNI (if Ratcliffe isn't confirmed, which is no sure thing) who will tell him what he wants to hear, and not what the American people need to be safe.

Dan Coats performed this most patriot of tasks over the past three years. He deserves a peaceful retirement. I simply hope America can withstand the threats to our democracy over the next 17 months. ❖

Senate Intel report warns of Russ assault; Indiana makes changes

By **BRIAN A. HOWEY**

INDIANAPOLIS – Just days after the Senate Intelligence Committee issued a report saying all 50 states were targeted by Russian hackers in the 2016 election, the Indiana Election Commission approved the first voter verifiable paper audit trail (VVPAT) for electronic voting systems.

Adding VVPATs to election equipment will help boost voter confidence and allow us to implement risk-limiting audits," said Secretary of State Connie Lawson. "Together, these practices will show voters at the polls their vote is safe and secure and following up with a post-election audit will confirm their vote was counted. As we prepare for the upcoming presidential election, we will be working to protect 2020 and beyond."

In Indiana, almost half of the counties use direct-record electronic machines. There is a paper trail in the back of the machines, but it is not visible to the voter. As a security measure, paper trails that are visible to the voter are being added to electronic voting equipment. The General Assembly provided funding to equip 10% of electronic voting equipment with a VVPAT. Voters will start seeing the equipment at the polls this fall. By 2029, all voting equipment in the state will be required to have a voter verifiable paper trail.

In August 2017, Lawson told HPI that Indiana was not assaulted by the Russians. "Indiana did not get hacked," she said flatly. Her office was informed by the FBI late last summer that at least two states had their systems entered, and dozens of states were probed. "We examined 15,500,000 logins from the 92 county clerks' offices. They were processing candidate filings, absentee ballot requests and petition signatures and all the things that counties do. So, we were fine. Those IP addresses had not touched Indiana's system. The election results are absolutely unaltered and no votes have been

changed."

Valerie Warycha, Lawson's spokeswoman, told HPI on Wednesday that there has been no status change.

The bipartisan U.S. Senate report released Thursday was heavily redacted, with the New York Times reporting that it comes "at the insistence of American intelligence agencies that even some key recommendations for 2020 were blacked out." The report came just a day after former Special Counsel Robert Mueller warned of future election assaults from the Kremlin and other foreign bad actors. "The Russian government interfered in sweeping and systemic fashion," Mueller said during testimony before a House committee a week ago. "Over the course of my career, I've seen a number of challenges to our democracy. The Russian government's effort to interfere in our election is among the most serious. This deserves the attention of every American."

It was a similar assessment to the one issued by Director of National Intelligence Dan Coats last January. "We assess that foreign actors will view the 2020 U.S. elections as an opportunity to advance their interests," Coats told the Senate Intelligence Committee. "We expect them to refine their capabilities and add new tactics as they learn from each other's experiences and efforts."

Coats and other intelligence officials have repeatedly warned that Russia has sought to disrupt American elections and divide the electorate against itself.

The Senate Intelligence Committee report greatly expands the number of states probed and assaulted. Up until this point, only Illinois, Florida and Arizona had been identified. The committee described "an unprecedented level of activity against state election infrastructure." The report said, "Russian cyber-actors were in a position to delete or change voter data" in the Illinois voter database.

The committee found no evidence that they did so. But should they succeed in the 2020 election, throwing one or two states into turmoil, it has the potential to discredit the U.S. election process.

Governor

Melton, McCormick tour continues

A desire for change in public education rang out in state Sen. Eddie Melton's Tuesday night Hoosier Community Conversation in Hammond (Lanich, NWI Times). In the two-hour town hall, educators from across The Region brought forward concerns of state accountability, funding



Secretary of State Connie Lawson doesn't believe the Russians successfully hacked Indiana's election system. (HPI Photo by Mark Curry)

and relationship building among Indiana educators and legislators. "Teachers have to speak up," said Anita Cox, a teacher at Hammond's Morton High School. "I do not think anything is going to change until a mass number of teachers stand up and start telling their stories." Melton, following last month's launch of his gubernatorial exploration committee, was joined by Indiana Superintendent of Public Instruction Jennifer McCormick on Tuesday night as one of a series of statewide listening tour events taking place this summer. A petition collecting names to help put Melton's name on the ballot to challenge Republican incumbent Gov. Eric Holcomb sat outside the town hall meeting. "Now here you have a Democrat and a Republican able to stand publicly that the 'D' behind my name and the 'R' behind her name shouldn't get in the way of education and of educating children," Melton said. "Today is about education in particular because no matter what subject we talk about — economic development, health, wellness — education is going to be at the center of it all."

Harris eyes 'Melton/McCormick' ticket

Melton has not filed a gubernatorial exploratory committee. Spokesman Orrin Evans told HPI on Wednesday, "Following the advice of the secretary of state's office and legal counsel, it was not needed" for the listening tour. "Should he choose to run for governor, he will file the appropriate paperwork." That decision won't likely come until fall, Evans said.

Some have speculated Supt. Jennifer McCormick's tour with Sen. Eddie Melton could position her for a potential lieutenant governor appointment (NWI Times). When pressed about it by State Rep. Earl Harris Jr., D-East Chicago, she laughed and expressed appreciation for his support. WIBC reported that McCormick has taken criticism from Republicans for appearing with Melton. "It's very limited from what I'm hearing," McCormick said. "Part of that came from, obviously, from party leadership and questioned my loyalty. That's one of those comments that I've been very clear ... it doesn't even require a response." Melton praises McCormick's bipartisanship. "I've been working with Dr. McCormick the entire time she's been in the legislature (sic). She's committed to children," Melton said. Melton has yet to form an exploratory committee. Only Dr. Woody Myers has announced he will seek the Democratic nomination. State Rep. Karlee Macer is also



State Sen. Eddie Melton with Supt. Jennifer McCormick at a town hall in Hammond on Tuesday. There continues to be speculation on a potential Democratic ticket. (NWI Times photo)

weighing a bid after the wedding of one of her children this weekend.

Congress

5th CD: Hale campaign on shortlist

Democrat Christina Hale was added to the short list of the New Democratic Coalition Action Fund. Made up of 103 forward-thinking, solutions-oriented Democratic members of the U.S. House of Representatives, the New Democrat Coalition backs policies that support economic growth, innovation, and fiscal responsibility. Its campaign arm, the NewDem Action Fund, helps elect like-minded leaders who will advance a positive policy agenda and message. In 2018, NewDems delivered the Democratic Majority in the House by flipping 32 of 40 net seats blue and contributing about \$18 million to electing House Democrats. "As we begin this campaign it's wonderful to receive this recognition and support," said Hale. "Like the members of this coalition, I am a problem-solver who isn't afraid to reach across the aisle to get things done for middle-class families, like lowering the cost of healthcare or expanding economic opportunity. That's what I've done throughout my career and it's what I will do in Congress." Hale was one of three candidates nationwide named to the organization's "Candidate Watch List."

GOP fears wave of retirements

As President Trump and Vice President Pence continue a reelection campaign based on exploiting racial divides, House Republicans are facing a new wave of retirements. U.S. Rep. Susan Brooks set off the wave in June when she announced she would retire. Since then, another four Republicans have announced they will retire. The latest was Texas Rep. Mike Conaway. It's a very Republican district that will almost certainly stay in the GOP fold. Alabama Rep. Martha Robey was another who announced she would retire. She rescinded an endorsement of Trump following the Access Hollywood audio tape that surfaced in October 2016. The Hill reported: Republicans in Congress strategizing to win back the House say the rush to the exits reflects the depressing reality of life in the minority and a pessimistic view of the GOP's chances of regaining the majority. "We are in the minority. That is never much fun in the House," said one senior Republican member of Congress, who asked for anonymity to provide a candid assessment. "The odds are against us retaking the majority."

In Indiana, U.S. Reps. Jackie Walorski, Jim Banks, Greg Pence, Jim Baird, Larry Bucshon and Trey Hollingsworth are all expected to seek reelection. Bucshon announced his reelection bid last April.

Mayors

Indianapolis: Schmitz off the ballot

The Marion County Election Board denied the appeal Tuesday for John Schmitz to run as an independent candidate for Indianapolis mayor this fall (WRTV). Schmitz needed 6,104 verified signatures from Marion County registered voters in order to be on the ballot. He ended up submitting 8,295, but about 2,800 of those were deemed not qualified by the Marion County Board of Voter Registration, meaning they didn't count toward the 6,104 total. Schmitz appealed many of those signatures with the Marion County Election Board Tuesday, but the appeal was denied on a 3-0 vote.

Kokomo: Moore paper disputed by city

Republican mayoral candidate Tyler Moore has outlined his vision for Kokomo's police and fire departments in his campaign's first policy paper, citing a plan dominated by his belief that both agencies are severely understaffed (Myers, Kokomo Tribune). His positions, however, have been vehemently opposed by city officials who say Moore, currently in his third term as a Howard County commissioner, is

using faulty data and creating an environment of fear in his effort to win the mayoral seat. "Public safety is one of my top priorities, if not 'the' top priority when I'm elected mayor. It affects every person, every family and every business within Kokomo and well-considered investments in KPD and KFD are invaluable investments in our great city," said Moore in a media release that accompanied the policy paper. Kokomo Deputy Mayor David Tharp said the weekly-hours statistics cited in Moore's media release and policy paper are "lies." "In his very first press release about a quote-unquote plan that he's announced he says he's committed 'to create an open, honest and positive dialogue,' and yet in that very press release he lies about the hours worked," said Tharp.

State parties watching Anderson race

The chairman of the Indiana Republican Party believes that the Anderson mayor's race is winnable for challenger Rick Gardner in the fall (de la Bastide, [Anderson Herald-Buttlein](#)). Gardner is running against incumbent Democrat Thomas Broderick Jr. and Libertarian candidate Rob Jozwiak. Indiana Republican Party chairman Kyle Hupfer said Wednesday that they have

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Leading Progress, Intelligently

Strategic Management
How, Why, What

Policy Preparation
Comprehensive with Intelligency

5-Year Scope Capital Planning
New Vision, Proven

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field staff working throughout the state in the lead-up up to the governor's race in 2020. "We're integrating the mayor's race around the state with the 2020 efforts," Hupfer said. John Zody, chairman of the Indiana Democratic Party, said the party is not taking the Anderson mayoral race for granted. "We're watching it closely," he said. "Anderson has made progress in terms of downtown development and the creation of jobs." Zody said the party helped the Broderick campaign in 2015 and will provide support for 2019. "It's important to let the mayors run their own races — they know their communities," he said. Hupfer said the GOP has done no polling in any mayor's race and has not committed any funding for local campaigns as of Wednesday. "It's a winnable race," Hupfer said. "The seat has gone back and forth in recent years." No Anderson mayor has been elected to consecutive terms since Democrat J. Mark Lawler served four terms from 1988 through 2004.

General Assembly

SD18: Sen. Head retires

State Sen. Randy Head (R-Logansport) announced he will be resigning his position as state senator effective Aug. 12 after more than 10 years of service in the Indiana Senate. "First and foremost, I want to say that I am grateful to the people of Senate District 18 for putting their faith in me and allowing me to represent them at the Statehouse over the years," Head said. "I have worked on a lot of different issues during my service, authoring more than 70 bills that became law, but now it's time for me to step away from the Statehouse in order to pursue a new public service opportunity as the chief deputy prosecutor for Pulaski County. I appreciate all that I have learned and been a part of thanks to the leadership of our caucus. It has truly been an honor to serve the people of Indiana." Senate President Pro Tem Rodric Bray praised Head's record of service in the Senate. "Randy's practical knowledge and experience in the courtroom have made him a tremendous asset to our team as we have worked to improve our criminal justice system, but his impact on the state of Indiana goes far beyond the improvements he made to Indiana's criminal laws," Bray said.

HD31: Vermillion wins caucus

A healthcare consultant and former hospital administrator is headed to the Statehouse to replace outgoing Republican state representative Kevin Mahan. Ann Vermillion of Grant County was until recently the longtime administrative director of Marion General Hospital, where she helped an effort to decrease the number of opioid prescriptions written (Indiana Public Media). She now runs



Ann Vermillion was a guest of U.S. Rep. Susan Brooks at President Trump's State of the Union address in January.

a healthcare consulting business. Vermillion asked a GOP caucus to select her because she's passionate about rural Indiana and party values. "I know you guys have worked so hard to really safeguard those Christian values — those values that we hold dear," she says. "And I want to be a part of that." Vermillion was endorsed by the man she's replacing, Kevin Mahan, who is resigning to move out of his

district for a new job.

Presidential

Biden reverses polling slump

Former Vice President Joseph Biden reversed his slump following the first Democratic presidential debate and now leads the pack with 34% of Democrats and independent voters who lean Democratic, according to a Quinnipiac University National Poll released Monday. Massachusetts Sen. Elizabeth Warren has 15%, with 12% for California Sen. Kamala Harris and 11% for Vermont Sen. Bernie Sanders. South Bend Mayor Pete Buttigieg comes in at 6% and is getting zero percent of the black vote. This compares to results of a July 2 survey showing Biden with 22%, Harris with 20%, Warren with 14% and Sanders with 13%. Biden gets 53% of black Democrats, with 8% for Sanders, 7% for Harris and 4% for Warren; women Democrats go 34% for Biden, 15% for Warren, 14% for Harris and 10% for Sanders. "In the blink of an eye, the post-debate surge for Sen. Kamala Harris fades and former Vice President Joseph Biden regains his footing among Democratic presidential contenders," said Mary Snow, polling analyst for the Quinnipiac University Poll. "Electability remains his strongest pull."

Buttigieg would pull out of Afghanistan

South Bend, Indiana Mayor Pete Buttigieg pledged to order a full military withdrawal from Afghanistan within his first year as America's commander-in-chief, saying it's time to end U.S. involvement in the ongoing 18-year war that he fought in as an intelligence officer for seven months (CBS News). "We will withdraw, we have to," Buttigieg told the audience at the first night of the second Democratic debate in Detroit. "We will do whatever it takes to make American safe, but I thought I was one of the last troops leaving Afghanistan when I thought I was turning out the lights years ago," he added on Tuesday. "Every time I see news about somebody being killed in Afghanistan, I think about what it was like to hear an explosion and wonder whether it was somebody I knew or served with, a friend, a roommate, a colleague." ❖

Buttigieg's debate was credible, but traction must come in autumn

By **BRIAN A. HOWEY**

INDIANAPOLIS – South Bend Mayor Pete Buttigieg used the second Democratic presidential debate to once again highlight a generational chasm that he believes holds American politics captive.



"I'm running for president because our country is running out of time," Buttigieg said during his opening statement on the CNN debate at the Fox Theater in Detroit, citing "endless war and climate change."

"We are not going to be able to meet this moment by recycling the same arguments, policies, and politicians that have dominated Washington for as long as I've been alive," Buttigieg said. "We've got to summon the courage to walk away from the past and do something different."

The two-term mayor made a direct pitch to carry his party's standard, saying, "Nominate me and you get to see the president of the United States stand next to an American war veteran and explain why he chose to pretend to be disabled when it was his chance to serve."

Buttigieg's performance preceded a field pile-on of former vice president Joe Biden Wednesday night in the second debate of the sequence. Biden faced criticism of Obama administration deportations, as well as Obamacare. Whether the wholesale assaults on the clear Democratic frontrunner and his sometime unsteady performance opens a lane for a candidate like Buttigieg remains to be seen.

While Buttigieg turned in a credible performance, neither he nor any of the other nine Democrats had that knockout moment that could change momentum in the race where Joe Biden holds double-digit leads in recent polls. Buttigieg entered this debate well-heeled with \$25 million raised, but he is polling in single digits (6% in a Quinnipiac Poll released Monday) and has virtually no African-American support despite several recent outreach initiatives.

At this point in time, Buttigieg didn't need that knockout punch. Consider Sen. Kamala Harris's attack on Biden last month: She had a temporary rise in the polls at Biden's expense, which have since settled back to where

Biden was at the beginning of the debate sequence. The summer before the Iowa caucuses is no time to peak.

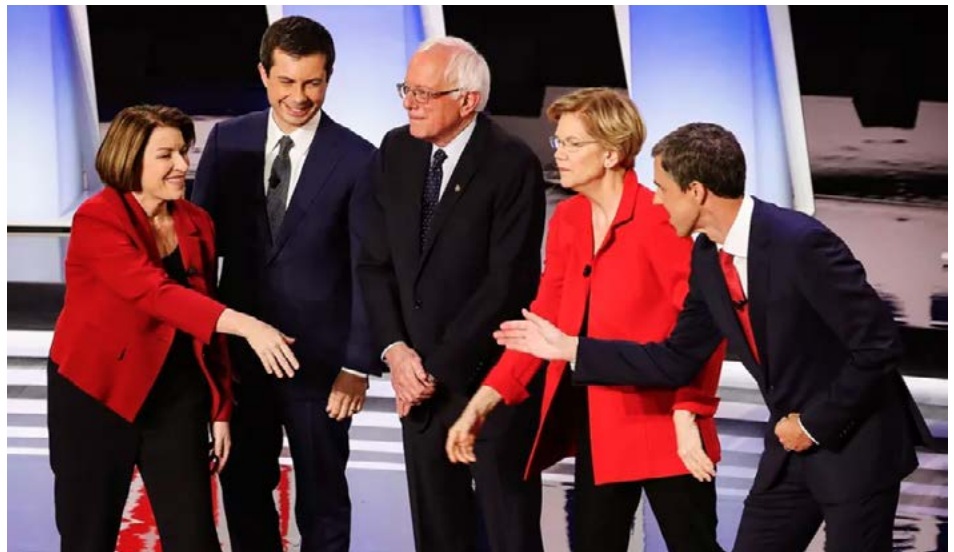
Buttigieg will certainly make the cut for the September debate, which is expected to feature a drastically culled field. Should the glint of inevitability wear off Biden, the September through November sequence could give the mayor a lane toward the nomination. The traction arc needs to occur in October through January, not during the dog days of August.

A Buttigieg nomination is still a long shot, but given the astronomical odds he faced when he began this campaign last January, to bet against him at this stage would be a premature assessment.

Buttigieg told MSNBC's "Morning Joe" Wednesday he thought he had a "terrific debate." He explained, "It was a great opportunity for me to talk about what's at stake in the election. How are we going to transcend this same argument that's been happening for my whole adult life and get into something new?"

Citing climate change, healthcare challenges and systemic racial divides, Buttigieg continued, "I am convinced that we are coming up on the horizon of no return and we've got to have the right sense of urgency."

On the ideological divide, Joe Scarborough asked him where he stood on the spectrum between Elizabeth



Warren on the progressive left side and Tim Ryan as the pragmatic moderate on the other? Buttigieg responded, "I view myself as progressive. The response from Trump world is pretty revealing: Most of what we stand for, the American people stand with us, whether it is the idea we should have universal healthcare or what we think ought to happen around gun control. If we are crazy socialists, they're saying the American people are a bunch of crazy socialists. It's time to put those labels to bed and talk about what we're actually going to do for the American people. That's why the president needs for us to talk about his latest outrage rather than the impact we're going to have on your life."

Buttigieg said on CNN's New Day Wednesday, "As long as I've been alive, I've watched Democrats organize ourselves according to what the Republicans are doing or what the Republicans are saying. I think the time has come for us to organize around what we think is right. The Republicans are going to do the same thing no matter what. We could copy/paste the Republican platform, make it our own, and they would still say that. So, I think we need to move on from obsessing over what the Republicans are going to say and just defend good policies.

"Where I come from, you've got a lot of people who voted for Donald Trump and Barack Obama, and Mike Pence for governor and me for mayor, so there's more going on here than people just sizing up whether we're too moderate or whether we're too liberal," Buttigieg said.

Asked about racial issues in South Bend late in Tuesday's debate, Buttigieg explained, "As an urban mayor serving a diverse community, the racial divide lives within me." He said that following the June 16 police-involved shooting, Buttigieg said he devised the Douglass Plan "to tackle this nationally," citing "systemic racism."

"If we don't tackle racial injustice, it will upend the American project in my lifetime," Buttigieg said.

As for Trump, the mayor said, "I don't care how

old you are, I care about your vision. When David Duke ran for governor, the Republican Party 20 years ago ran away from him. Today they are supporting naked racism in the White House or are, at best, silent about it. If you are watching this at home and you are a Republican member of Congress, consider the fact that when the sun sets on your career and they are writing your story, of all the good and bad things you did in your life, the thing you will be remembered for is whether, in this moment with this president, you found the courage to stand up to him or you continued to put party over country."

MSNBC's Mike Barnacle asked Buttigieg how close President Trump is to igniting a racial powder keg with his Twitter rants and MAGA rally chants.

"It's extremely dangerous," Buttigieg responded. "This has been with us since the beginning of the republic. The one thing that came closest to ending the American project was white supremacy which led to the Civil War. It's still an enormous problem for those who are discriminated against ... and for the entire country as a whole. If there's any virtue in the moment we're living in, I suppose it's the fact that we can no longer pretend, a lot of white progressives can no longer be comfortable in the belief that we have beaten back some of this naked racism that

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has come back to the surface because it was never gone in the first place.

"Having wrestled with these issues on the ground, as a mayor of a diverse community, I see why it is so important that we take this on systematically."

Near the halfway point of the debate, the topic of gun violence came up. The mayor called dealing with gun violence "the worst thing about the job," but quickly shifted his aim at Washington. "We don't have a system in D.C. capable to deliver what so many of us want." He described being at South Bend St. Joseph High School during the Columbine HS shooting in Colorado, saying, "I was a junior when the Columbine shooting happened. I am the first generation to see school shootings. We have produced the second generation. We dare not allow there to be a third."

"I was at an event and a 13-year-old asked me what we were going to do about school safety, and then began shaking and crying," Buttigieg said. "We can talk about these policies, but we already know the policies: 90% of Americans want something to happen. Washington can't do it."

Buttigieg addressed electability, which appears to favor former Vice President Joe Biden. "It's time to stop worrying about what the Republicans will say," Buttigieg said. "It's true if we embrace a far-left agenda, they're gonna say we're a bunch of crazy socialists. If we embrace a conservative agenda... they're gonna say we're a bunch of crazy socialists."

On healthcare, Buttigieg said, "If you don't have health coverage, you're paying too much for care. If you do have health coverage, you're paying too much for care. Freedom means not having to choose between healthcare and financial survival."

As for the expected culling of candidates, Buttigieg explained on Morning Joe, "I imagine between now and the next debate there will be some of that natural winnowing. If candidates find they haven't gotten traction by now, if they're not able to pull resources together, they may decide to do other things," he said. "It is challenging to have 20 candidates spread across two nights. We've got to

begin consolidating this conversation.

"Fundamentally as candidates, it's up to us to cut through the clutter," the mayor continued. "If you have the right kind of message, if you're the right kind of messenger, you can do that. We've been able to cut through a very competitive field. It's obviously not based on having a lot of fame or having a lot of dollars on day one. It's having something to say that is compelling and you can build that support base that you need."

Biden targeted last night

The second Democratic field took on Biden and President Obama, who remains is the most popular Democrat, instead of President Trump. At one point, Sen. Cory Booker assailed Biden, saying, "You invoke President Obama more than anybody in this campaign. You can't do it when it's convenient and then dodge it when it's not."

Sen. Kamala Harris accused Biden of "double talk" on liberal plans to augment Obamacare. "My response is: Obamacare is working," Biden retorted. Harris responded, "Your plan, by contrast leaves out almost 10 million Americans."

New York Times: By the end of the debate, Mr. Biden was besieged, attacked from all sides on a plethora of subjects including health care, immigration, trade, criminal justice, climate change, women's rights and the war in Iraq.

Biden ended the night by botching his text handle, opening up to more criticism that he is a relic of a bygone era.

President Trump was gleeful, tweeting, "The people on the stage tonight, and last, were not those that will either Make America Great Again or Keep America Great! Our Country now is breaking records in almost every category, from Stock Market to Military to Unemployment. We have prosperity & success like never before. It will soon be time to choose to keep and build upon that prosperity and success, or let it go. We are respected again all around the world. Keep it that way! I said I will never let you down, and I haven't. We will only grow bigger, better and stronger TOGETHER!" ❖

Farmers want USMCA, but China's the big deal

By BRIAN A. HOWEY

INDIANAPOLIS — Back in the good old days, say 2013, a Hoosier farmer could fetch \$7 to \$8 for a bushel of corn. It was so lucrative that the Ukrainians and Brazilians decided they wanted a piece of the action. So in 2013, the net farm income in Indiana was a lofty \$5.4 billion.

And 2019? Indiana's amber waves of grain have turned into fields of weeds this season due to an extremely wet planting season. Soybean prices have sagged below the cost of production. Or as Ed Ebert of the Indiana Soybean and Corn Alliances observed at the Indiana Agriculture Policy Forum at the Colts Complex on Tuesday, "I don't think I've seen soybeans this small this late."

Throw in President Trump's tariff wars, specifically with China, and the fact that Brazil, Argentina, Paraguay and Uruguay have gotten in on the soybean action, and the mood was somber. Hoosier farmers are not panicked. They are nervous. They haven't bolted support from President Trump, but there are two harvests between now and the 2020 election. At least one of them is going to have to be good, otherwise their support cannot be taken for granted.

Why? The net farm income for 2019 is an estimated \$1.56 billion. And part of that comes from Trump's bailouts of 2018 and 2019 after the tariffs have significantly dented the soy market. The irony here is that while Trump and Republicans are sounding alarms about "socialism" seeping into the American body politic, Trump's government is propping up farm incomes.

Hoosier farmers were hoping for a quick resolution to Trump's tariff wars. But on Friday, Trump gave them a reality check. As we speculated on these pages earlier this year, the Chinese are in a position to wait Trump out. Or as President Trump explained, "I think that China will probably say, 'Let's wait. When I win, like almost immediately, they're all going to sign deals.'"

Trump tweeted, "The problem with them waiting ... is that if & when I win, the deal that they get will be much tougher than what we are negotiating now ... or no deal at all."

This is going to put Hoosier farmers in an interesting conundrum. Rural Indiana counties backed Trump in the 60th and 70th percentile in 2016, and did the same for U.S. Sen. Mike Braun last year in his race against Sen. Joe Donnelly, who spent a significant part of his one term

in the Senate seeking and delivering for the farm. A vote for Trump in November 2020 could be a leap of faith.

There are other problems emanating from the Trump administration. According to Reuters, Trump's EPA has quadrupled the number of waivers to oil refiners, coming at the expense of ethanol and corn farmers. It's saved the oil guys hundreds of millions of dollars. In Indiana, 47% of the corn crop ends up in 14 ethanol plants here. In 2017, Hoosier farmers generated 934 billion bushels of corn, but the EPA has waived 927 billion bushels.

So the emphasis of the Trump administration has been to push for the USMCA trade deal, which replaces NAFTA. According to Geoffrey Gertz of the Brookings Institute, "Overall, the changes from the old NAFTA are mostly cosmetic. After a year and a half of negotiations, the three parties are going to end up with a new trade deal that looks remarkably similar to the old NAFTA."

The greatest fear among the Indiana agriculture sector was President Trump scrapping NAFTA altogether, without a replacement. According to Gertz, "The main structure of the deal is largely intact; the biggest changes include higher rules-of-origin requirements for the auto sector, marginally greater U.S. access to the Canadian dairy

market, and a scale-back of the investor-state dispute settlement (ISDS) rules. Thus we shouldn't expect to see any dramatic economic effects from this deal—though if it convinces businesses that U.S. withdrawal from NAFTA is no longer on the table, resolving this uncertainty may lead to a small increase in investment."

So USMCA is the far more desirable compromise, as opposed to a Trumpian scorched-

earth outcome. But Gertz also notes, "While this might be a (modest) short-term victory for the U.S., it risks undermining America's long-term interests. As a global power, the U.S. has sought to exert influence by investing in 'soft power,' the ability to convince other countries their own interests in fact align with those of the U.S. In seeking to squeeze a few more dimes out of Canada and Mexico, Trump is telling America's allies that they should no longer be so inviting of American power."

U.S. Rep. Jackie Walorski told the forum that USMCA will bring market stability and urged members to "politely" call Speaker Nancy Pelosi and urge her to bring it to the House floor for a vote. "When it hits the floor, it will pass by an overwhelming margin," Walorski said.

But on the China front, Walorski acknowledged, "We've been hit hard by tariffs." That includes farmers and manufacturers. And Walorski has ardently tried to persuade Trump from slapping on auto tariffs. She credits Trump for bringing long simmering issues such as intellectual property and government supported business with China to the forefront.



Kent Yeager, a former agriculture liaison for Sen. Donnelly and a director with the Indiana Farm Bureau, explained of USCMA, "In the whole scheme of things, we're going to see a miniscule difference. That's going to make very little difference in the market, nothing compared to what solving relations with China is going to do. I really am afraid we're doing damage for years, if not decades, to come. We were lucky to get a lot of younger people involved in agriculture a few years ago when we had better prices and good income. I'm afraid now we're shutting the door. It's a change we may not come out of, ever. There's a lot of talk, but there's not a lot of progress. Certainly, China needs to be dealt with, but we need some real progress on these markets and we need them quick."

Walorski responded, "Sure. I agree."

The Republican congresswoman noted that trade deals are in the works with Japan and the European Union. But China is a gigantic consumer market. For instance, forum attendees learned that the number of hogs China has lost to the African swine disease is more than the entire U.S. pork production.

Walorski put the China trade deal in the "national security" category. "A lot of those conversations, at the end of the day, when it comes to national security, which country are you pledging your allegiance to? We want more of more nations under our umbrella than what China is trying to pluck at the moment. At the end of the day, that's the conversation. Trade is the incentive. But I hear you loud and clear and I will definitely deliver the message."

President Trump also pulled the U.S. out of the Trans Pacific Partnership, and that has prompted some nations to choose sides ... with the Chinese. Alex Capri of Forbes Magazine, explains, "When Mr. Trump withdrew the U.S. from the original TPP, now known as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), he put the American agricultural sector at a competitive disadvantage. By depriving U.S. farmers of preferential duty rates throughout the CPTPP territory, the White House unwittingly turned Canadian, Australian and Mexican growers into winners and U.S. farmers into losers."

Ian Sheldon, a professor in the Department of Agricultural, Environmental, and Development Economics at Ohio State University, explained in late 2018, "Trump wants a quick fix to the U.S. trade relationship with China, but it is a much more nuanced problem. We have lost the opportunity to drive the trade playbook in the Asia-Pacific region."

Walorski also had a sobering political assessment. "Unfortunately, when we go back in September and go back into that DC climate, we are all probably in for a rude awakening and where the 2020 election is going and the kind of crazy stuff that comes out at that level. If you think it's hot now, watching some of that stuff on TV, wait for September through the election next year."

After the forum, Walorski met with HPI and Hoosier Ag Today's Eric Pfeiffer.

Asked about Trump's assertion last Friday that a deal with China might not happen until after the election, Walorski said, "I'm an eternal optimist. I've seen the players and understand the intensity and the urgency when it comes to China. I'm in the shareholder meetings and in the meetings with the administration and (Trump's) folks as well, and I think that some of them share the same view as I do. We've never come as far as we are right now, but that's not enough. We have to get this over the goal line. The American people deserve it."

"USMCA is the starting gun, kicking everything else off," Walorski continued. "We need that Chinese agreement as much as we need the USMCA."

HPI asked, "Can these farmers wait another 15 to 20 months?"

Walorski responded, "That's why it's important to be constantly battling for ag. The things we do in DC that folks may not pay attention to ... is by putting bipartisan pressure on the administration and other lawmakers. It's those kind of things where we can use bipartisanship and we can use numbers as leverage. We have to keep the pressure up."

Asked to put the tariff war with China into the context of the USMCA, Walorski explained, "We have to have USMCA. Do I think the Chinese agreement is greater? Of course it is. They've been such a thief to our country with intellectual property and the secrets and things they've stolen and who they are. This president did excel to bringing the Chinese leader to even have talks about an agreement. I was so disappointed when they pulled back a couple weeks ago, but I knew they would go back at it. I knew we'd have a second round. I do believe it will get done. It won't happen overnight."

Walorski eyes 'crazy' politics

HPI noted to Rep. Walorski that she mentioned the crazy political scenario unfolding while addressing the forum. HPI: There have been the chants aimed at four of your Democratic colleagues that some deem racist. Are you comfortable with that? You're going to be on the ballot with President Trump, who appears to want to play the race card.

Walorski responded, "I think if we paid more attention to getting things done and not get into the personal attacks on anybody for any reason, we would advance the American dream so much faster. That's what I've stayed committed to. I've never gotten involved in presidential politics and obviously with a presidential contender right smack in my backyard, I'm not entering into it. The stakes are too high for us to screw up what we're responsible for, like trade. I think everything politically needs to de-escalate. We need to respect people. We'll get a lot farther if we respect each other in our country and not get into name-calling and those kinds of things, but to pay attention to what we're elected to do. The American people want us to move, they want us to pass bills together and that's what we'll work on." ❖

Hoosier journalist Jack Howey dies at age 93

INDIANAPOLIS — Hoosier journalist Jack Eugene Howey, who reported, edited and published newspapers for a half century and helped draft Indiana's Open Door Law, passed away at 9:19 p.m. Wednesday at age 93.

As managing editor of the Peru Daily Tribune, it became the first Indiana newspaper to publish entire reports on school accreditation and paved the way for a new Peru High School that was built in 1971. Under his leadership, the Peru Daily Tribune was an early publication to give up hot type and use computer technology to put out the daily edition.

On one occasion when Howey learned that the Ku Klux Klan was planning a rally in a nearby hunting lodge, he and an FBI agent hid in bushes near the building. Howey wrote down the license plate numbers of the people attending and fearlessly published them the next day. The KKK was subsequently unable to reestablish itself in Miami County.



Howey was born March 29, 1926, to Basil A. Howey and Alice Elisa Vollmar Howey, in a boarding house operated by his grandmother, Isabel Jones Vollmar, in Michigan City, Ind.

Howey moved with his parents and younger sister, Nancy, to Gary, where his father was a printer on the Post Tribune, and later to Hobart, where he graduated from Hobart High School in 1943. He played cornet in the nationally known Hobart band. He attended Purdue University for one semester, but decided against engineering and sailed for a summer as a hand on the Great Lakes ore freighter Arcturus with the Merchant Marine before entering the Army Air Corps. Discharged from the Air Force as a sergeant in 1947, he entered Indiana University, Bloomington, to study journalism under Prof. John Stempel, graduating in February 1951. His first newspaper job was on the copy desk of the Fort Wayne Journal-Gazette.

He was the first Ernie Pyle Scholar at IU and the first president of the IU Journalism Alumni. He was a member of the inaugural Little 500 bicycle race committee.

At the Indiana Daily Student, he met Mary Lou Cunningham, and they were married Aug. 11, 1951, in Michigan City where both worked at the News-Dispatch. He was promoted from reporter to city editor, and there they became parents of Elisa, Brian and Sara. In 1966, the family moved to Peru, Ind., where Jack was managing editor of the Peru Daily Tribune. He worked there until 1992, retiring

as publisher.

"When the two of us served together on the national Board of Directors of the Associated Press Managing Editors Association," the late South Bend Tribune managing editor Jack Powers observed, "virtually all the directors from other states were so impressed by Jack Howey's dedication and intellect that they either wondered aloud why he remained on a smaller newspaper or made book on what big outfit would grab him. Indiana can be proud of the fact that he could have gone anywhere with great success, but chose to stay here."

He also advised Nixon Newspapers leadership. In 1981, Howey told the board of Nixon Enterprises Inc., "... To be believed [a newspaper] must insist upon the highest levels of ethical conduct from its top management down through all levels of employees who deal directly with its content, whether it be news or advertising."

The Tribune was an Associated Press paper, and Howey became involved with the Associated Press Managing Editors Association, serving a term as state president and representing smaller newspapers on the national board. Howey also was involved with the Hoosier State Press Association, and with that group was an author of Indiana's Open Door Law, designed to keep organizations such as city councils and school boards from doing the public's business in secret.

He was inducted into the Indiana Journalism Hall of Fame in 1998, and chosen as a Sagamore of the Wabash by Gov. Mike Pence on his 90th birthday.

In 1994, Brian Howey established what is now Howey Politics Indiana, and Jack Howey served as his editor and business manager until recent years.

In 1998, Jack and Mary Lou moved to Indianapolis to be near their family. They are members of Union Chapel United Methodist Church. Howey was active for many years at the Jordan YMCA in Indianapolis.

He was honored to participate in a Veterans Honor Flight to Washington, D.C., in 2015. In April 2017, they moved to Lincoln Lodge at American Village retirement community.

Surviving with his wife, Mary Lou, to whom he was married 68 years as of Aug. 11, are family members Elisa and David Deer, Aaron and Alice Deer; Brian A. Howey and Susan Joiner, Thomas and Kali Howey and Stephen Howey; Sara and Jeffrey Glore, Michael Veatch and Joshua Glore. Jack was preceded in death by his mother when he was 16, his father, and his sister, Nancy Howey Knapp.

Services are pending. Memorial donations may be made to the [United Methodist Committee on Relief](#) through Union Chapel Church, or to [Indy Honor Flight](#). ❖

What the Fed's rate reduction does

By **MICHAEL HICKS**

MUNCIE – The Federal Reserve Open Market Committee meets this week to consider whether to ease the money supply. The most obvious mechanism for doing this is by reducing the interest rates they charge member banks. This change will filter quickly to bank loans on cars, on homes and eventually on credit cards. More money leads to lower borrowing rates for consumers and businesses.

The timing of the Fed's action is subject to real criticism, and two members of the committee have spoken publicly against a rate increase. At the same time, a Fed nominee has argued in favor of a large cut. Both of these actions are unusual. Fed members usually do not air their disagreements in this way, and Fed nominees are usually tight-lipped about policy choices before the Fed. We live in interesting times.



The global economy is clearly slowing. China is likely in a recession, though its publicly

available data is hard to believe. There was even evidence last week of a liquidity crisis emerging between their banks. China is hardly a democracy that must suffer the ignominy of publicly available economic data, so it is hard to be sure what is happening.

Several European economies are on the edge of recession, and the United Kingdom is still trying to extricate itself from the European Union. So, interest rates around much of the world are now lower than in the U.S. It may be that we are opting to lower rates to prevent capital inflows, but we won't really know the reasoning for a few weeks.

Domestically, economic performance continues to slow. Industrial production is now down for the year. Retail spending had a very poor performance last month and labor markets appear to be cooling. Incomes growth slowed last month, though it was a modest decline. Still, all four major recession indicators are either negative or slowing.

Labor market revisions have trended downward over the past six months. This is unusual, but recent data suggests employment growth in smaller businesses has declined. We survey small businesses less heavily than big ones, so the downward revisions may indicate a softening labor market that only becomes apparent in the administrative data.

Manufacturing-intensive places are also seeing

slower growth. Indiana is now in its fifth month of manufacturing employment declines. The sustained factory job growth that buoyed us from the end of the recession is now over. Declining factory employment is especially obvious in places like Elkhart, the home of the American RV industry. Labor markets are still tight, but the unemployment rate has risen since last year. RV sales were down modestly in 2018, falling about 4.1% from the record year of 2017. As of the end of May, sales were down 22% from 2018. Broad layoffs in that sector and its suppliers seem imminent.

The timing of the Fed decision on Monday actually causes me to be more, rather than less, concerned about the business cycle. I still predict only a slowing economy, rather than a full-out recession. However, if the majority of Fed members believe a rate cut is needed, then their models must be signaling the start of a recession.

One reason to be optimistic is that this recession has policy-induced roots in the growing trade war. The tariffs themselves are enough to modestly slow the economy, but not enough to cause a recession. Retaliatory tariffs worsen the effects, but as the trade war has expanded in geography, scope and uncertainty, firms respond through a very costly process of moving their supply chains. These small frictions contribute to a slowdown. A trade war can cause a recession, and at the very least make one far worse than it might have otherwise been.

Any belief that a trade war would bring factory jobs back to the U.S. was always spurious nonsense. So, if we are looking for silver linings to a downturn, it is in relearning some of the lessons of the last trade war. Hopefully, they won't be as costly as they were back in 1930. ❖

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YOUR FRIENDS ALL HANG OUT HERE... DO YOU?

William McGurn, Wall Street Journal: Calling President Trump a racist when you have zero support from black voters in the race for the Democratic nomination doesn't make sense. So why does Pete Buttigieg do it? These days a Democrat throwing the R-word at Donald Trump elicits more yawns than headlines. What makes the South Bend, Ind., mayor's accusation worth noting is that he's throwing this stone from inside a glass house. To start with, Mr. Buttigieg appears to have even lower black support than the president he calls racist. In the 2016 election, Mr. Trump received 8% of the African-American vote, according to exit polls. More recently, even after the House passed a resolution condemning him for racism, a Hill-HarrisX poll reported President Trump enjoying 13% approval among black voters. These are low numbers compared with most Democrats. But Mr. Buttigieg can only envy them. A CNN poll released earlier this month reported Mayor Pete has 0% African-American support. It's going to be hard for him to improve much, if only because back in South Bend activists are playing the race card against him at the same time he's trying to play it against Mr. Trump. Among the complaints is that Mr. Buttigieg fired the city's first black police chief and saw the percentage of black police officers cut in half on his watch. These complaints went national after a Father's Day shooting in which a white South Bend police officer shot and killed a 54-year-old black male he said was coming at him with a knife. At a protest following the shooting, an African-American woman asked the mayor if he's a racist. Another demanded to know if he believes black lives matter. Mr. Buttigieg is surely not a racist. But his failures are real. The biggest is that South Bend remains a much more violent city than he pretends. Take murder. The count jumped to 18 in his first year as mayor, dropped to nine the following year, but then jumped back up. In 2018, 20 people were murdered. The bigger question is, how long before some moderator at a Democratic debate asks Mr. Buttigieg the obvious question: Can his party retake the White House with a candidate who has even lower black support than Donald Trump? ❖



president. Trump's problems with Coats go back to the first days of his presidency. According to the report of the special counsel, at a dinner on Jan. 26, 2017, Coats persuaded Trump (over objections from his other advisers) not to fire his first FBI director, James Comey, right away and instead meet with him face to face before making a decision on whether to dismiss him. That turned out to be terrible advice for a man like Trump. Comey took notes of his early meetings with the president, and that account made Trump sound like a mob boss. When Trump finally did fire Comey, the decision sparked the obstruction-of-justice investigation that Robert Mueller took over. Trump's efforts to charm Comey set in motion the events that led to the Justice Department probe that has haunted his presidency. Successful directors have had to use their powers of persuasion. Without experience in the national security state, persuading subordinate agencies is near impossible. This was a problem for Coats. Michael Allen, a former Republican staff director of the House Intelligence Committee, praised Coats for keeping the "ship steady in rough waters." But he acknowledged, "It's unclear whether he innovated or dramatically improved the intelligence community." Allen chalked this up to "statutory authorities which prevent decisive leadership" across a sprawling bureaucracy. ❖

Matt Tiabbi, Rolling Stone: Traveling hundreds of miles across Iowa, passing cornfields and covered bridges, visiting quaint small town after quaint small town, listening to the stump speeches of Democrat after would-be Donald Trump-combating Democrat, only one thought comes to mind: They're gonna blow this again. Imagine how it looks to Republicans. If that's too difficult or unpalatable, just look at the swarm of 24 Democratic candidates in high school terms. The front-runner — the front-runner! — is septuagenarian gaffe machine Joe Biden, who started running for president in the Eighties and never finished higher than "candidacy withdrawn," with a career delegate total matching John Blutarsky's grade-point average, i.e., zero point zero. The summer's "momentum" challenger is California Sen. Kamala Harris, who spent all year sinking in polls but surged when she hit Biden with "I don't think you're a racist...but..." on national TV. A fourth challenger, Bernie Sanders, is a self-proclaimed socialist born before the Pearl Harbor attack who's somehow more hated by the national media than Trump. A fifth, Pete Buttigieg, mayor of South Bend, Indiana, has never earned more than 8,515 votes in any election. It goes on. The GOP error was epic in scale. The Republicans sent twice the usual number of suspects into the buzz saw of a Throw the Bums Out movement they never understood, creating the comic pretext for the Clown Car: twice the canned quips, twice the empty promises, double the rage, frustration, and eye rolls. Nobody will want to hear this, but Democrats are repeating the error. The sense of déjà vu is palpable. ❖

Eli Lake, Bloomberg: The best question to ask about the departure of Dan Coats as director of national intelligence is what took President Donald Trump so long to drive him out? Coats minced no words when warning of the threat Russia and other foreign actors pose to American elections, and resisted Trump's pressure to insert himself into the government's investigation of Russian interference. The president in turn kept his national intelligence director out of the loop. When Trump met with Russian President Vladimir Putin in July 2018, Coats acknowledged publicly that he had no idea what the two leaders discussed in their two-hour conversation. Administration officials tell me that in the last year Coats had stopped delivering most of the daily intelligence briefings to the

Fed lowers rates for first time since '08

WASHINGTON — The Federal Reserve cut interest rates by a quarter-percentage point—the first reduction since 2008—in a pre-emptive strike to cushion the economy from a global slowdown and escalating trade tensions ([Wall Street Journal](#)). Officials also announced they would end the runoff of their \$3.8 trillion asset portfolio on Thursday, two months earlier than previously planned. Eight of 10 Fed officials voted in favor of lowering the short-term benchmark rate to a range between 2% and 2.25%, while two officials dissented from the decision in favor of holding rates steady. The policy statement released after Wednesday's meeting left open the door for the Fed to cut rates again in the months ahead. "As the committee contemplates the future path of the target range for the federal-funds rate, it will continue to monitor the implications of incoming information for the economic outlook and will act as appropriate to sustain the expansion," the statement said. While officials expect the economy to expand steadily, "uncertainties about this outlook remain."



North Korea tests rocket launcher

WASHINGTON — North Korea said Thursday leader Kim Jong Un supervised the first test firing of a new multiple rocket launcher system that could potentially enhance its ability to strike targets in South Korea and U.S. military bases there (AP). The report by North Korea's official Korean Central News Agency differed from the assessment by South Korea's military, which had concluded Wednesday's launches were of two short-range ballistic missiles. The launches from the eastern coastal town of Wonsan were North Korea's second weapons test in

less than a week and were seen as a move to keep up pressure on Washington and Seoul amid a stalemate in nuclear negotiations. Pyongyang has also expressed anger over planned U.S.-South Korea military drills.

Hamilton defends market closing

BLOOMINGTON — Bloomington Mayor John Hamilton defended his decision to cancel the city-run farmers' market on August 3 and August 10 during a public press conference at City Hall Wednesday (Indiana Public Media). The mayor made the decision after a tense confrontation near an alleged white supremacist's booth at the market led to the arrest of a protestor. Sarah Dye, a vendor at the market, has posted in chat rooms of white supremacist groups. FBI documents show Dye had conversations with a man arrested for vandalizing a synagogue in Carmel. Dye's views have drawn the ire of vendors and customers of the market, some who say they don't feel comfortable with her there. "Let me state the obvious, when conflict and tension are present in public gatherings, it is dramatically more difficult to protect public safety when firearms and other weapons are present and pervasive," Hamilton told a packed auditorium full of residents and media.

Hobart man guilty of Trump threat

HAMMOND — A northwestern Indiana man has pleaded guilty to making threats against President Donald Trump on Facebook (Indiana Public Media). The Northwest Indiana Times reports 20-year-Steffon Gonzalez entered the plea Tuesday with hopes that he'll get a more lenient sentence. Federal authorities have said Gonzalez posted on March 28 that he was "standing outside the president's location with a bullet 'chambered' to 'blow his head off.'"

Trump had a rally that day in Grand Rapids, Michigan. Gonzalez lived in Hobart, about 145 miles southwest of Grand Rapids. He told the court that he made the threats from home while watching the rally live. Sentencing is expected in October. He was previously charged in Lake Superior Court with intimidation, but that charge was since dismissed.

Evansville TV station sold

EVANSVILLE — The Federal Communications Commission formally approved the purchase of two Evansville television stations as part of a bigger \$165 million deal (Inside Indiana Business). The FCC is allowing Allen Media Broadcasting LLC, a division of Entertainment Studios, Inc., to take ownership of WEVV (CBS) & WEEV (Fox) in Evansville.

RNC chair defends WinRed program

WASHINGTON — Republican National Committee Chairwoman Ronna Romney McDaniel grew visibly emotional during a meeting with senior GOP officials on Wednesday, as she insisted that she isn't personally profiting off a new, President Donald Trump-endorsed small-donor platform. McDaniel and other party leaders, including Trump campaign aides, are gathered in Charlotte, N.C., for the RNC's annual three-day summer meeting. They are slated to discuss a range of issues, including the launch of WinRed, a vehicle designed to compete with the Democratic small-donor juggernaut ActBlue. The party chairwoman choked up as she kicked off a closed-door panel discussion on WinRed by addressing ongoing rumors that she and other RNC officials are poised to personally benefit from the new platform. At one point, McDaniel said the only money she is making is her RNC salary. The RNC and the Trump campaign released separate statements on Wednesday saying no one was profiting off WinRed.