



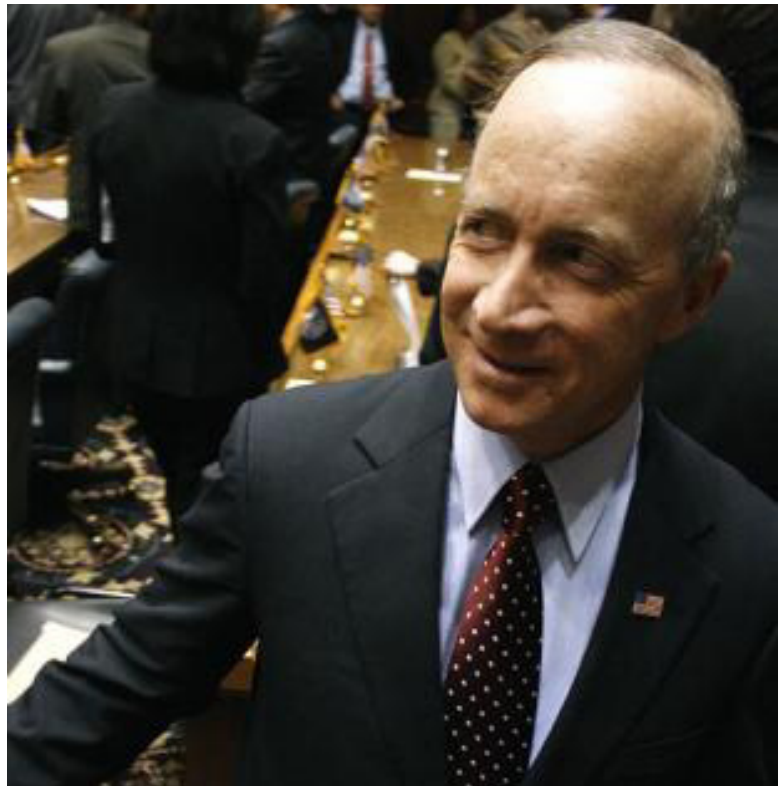
Three defining Daniels speeches

Governor competes with the Colts to lay out critical markers as an uncertain year commences

By **BRIAN A. HOWEY**

INDIANAPOLIS - Together over an eight-day period, they were perhaps the three most important speeches Gov. Mitch Daniels has given since his 2004 "freight train of change" Republican convention nomination oratory. The fact they were reduced to second billing in some withering media quarters to a change of Indianapolis Colt football coaches (who play in a stadium that might not exist had Daniels not stepped in to fund it) suggest a state of mind not yet fully grasping the gravity of today's Hoosier predicament.

This oratorical triumphvirate began with Daniels laying out his budgetary markers before the Indianapolis Downtown Rotary on Jan. 6 as members of the Indiana General Assembly began arriving in the capitol city. In this speech, the governor - working off a 58-40 percent election mandate a little more than two months ago - presented his fiscal priorities: no



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Gov. Mitch Daniels at Tuesday's State of the State address. (HPI/Franklin Photo by Isaac Daniel)

Obama: Transform or fail

By **BRIAN A. HOWEY**

INDIANAPOLIS - Next Tuesday the bumper stickers seen around the state - 1.20.09 - becomes a reality as Barack Obama succeeds George W. Bush as president of the United States.

With a deepening economic crisis, two wars, a new crisis in Israel and a fresh U.S. Joint Forces Command study that places Pakistan and **Mexico** on a list of countries most likely to experience a "sudden collapse," Barack Obama will either become a transformational president or a failure.

In Robert Kuttner's new



"This is a terrible time of stress for middle class families. One of the greatest burdens is trying to make college more affordable."

- U.S. Sen. Evan Bayh

PRESS



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Barack Obama at the American Legion Mall in Indianapolis on the eve of the Indiana primary, which he would lose to Hillary Clinton. It didn't keep him from coming back and winning the state in November. (HPI Photo by A. Walker Shaw)

book "**Obama's Challenge: America's Economic Crisis and the Power of a Transformative Presidency**," he lists Abraham Lincoln, Franklin D. Roosevelt, Lyndon B. Johnson and Ronald Reagan as presidents who fit this category.

Historian Doris Kearns Goodwin defines the term "transformational": All of the great presidents used their leadership first to transform the public understanding of national challenges and then to break through impasses made up of congressional blockage, interest-group power, voter cynicism or passivity, and conventional wisdom.

Presidents Lincoln, Roosevelt and Johnson found allies outside of the movements that were precursors to transformational change: abolitionists, labor and civil rights movements. "By appealing to what was most noble in the American spirit, these presidents energized movements for change, and thereby put pressure on themselves and on the Congress

to move far beyond what was deemed conceivable," Kuttner observed. "They generated accelerated momentum for drastic reform that proved politically irresistible. The abolition of slavery seemed beyond possibility in 1860, as did the vastly expanded federal role in the economy in 1932 and the full redemption of civil rights in 1963."

In this category, we could conceivably place Gov. Mitch Daniels in a transformational mode on a state level, particularly if he can forge the government reforms and expand educational and workforce development opportunities in his second term. His 58-40 percent win over Jill Long Thompson last November, going into the teeth of Obama's capturing Indiana's 11 Electoral College votes, suggests a potential political realignment akin to those that followed Lincoln and Roosevelt. LBJ didn't muster this level as his mistakes in the Vietnam War as well as the civil rights reforms that pushed the South into the Republican column for a generation limited his



transformation, though society changed because of him.

Other presidents failed to make the transformation. Kearns cites President Bill Clinton, who entered office with Democratic majorities in Congress, but failed in his 1993 health care reforms that ignited the Gingrich Revolution of 1994.

Daniels' former boss, Ronald Reagan, makes the list because his gifted leadership and "sunny optimism" created a political transformation that had Republicans holding on to the White House for five of the next seven terms. Kuttner writes that current events, such as the meltdown on Wall Street due to the climate of deregulation that began under Reagan and extended through the three Bush and two Clinton presidencies, is now being discredited.

In Obama, we have a 46-year-old freshman senator who ignored the riches of Wall Street, became a community organizer in the shadow of idled steel mills, went to the cut-throat Chicago Democratic machine and emerged as a star. He is an African-American who pursued his nomination against the "all-but-certain presumed nominee" Hillary Clinton. As Kuttner observed, "He has an unerring sense of timing, confidence and a feel for the bold stroke."

He also had never run a truly contested race against a Republican until John McCain last year.

We saw the bold stroke time and again in Indiana. Despite losing to Clinton in the May primary, his campaign re-emerged in June and began contesting a state few believed he could win. After opening more than 40 campaign offices, more than \$5 million spent, and 49 visits between March 15 in Republican Plainfield until his final stop on Election Day Nov. 4 in Indianapolis, Obama turned into a "president as teacher," Kuttner observes. "He inspires as only a few presidents have done."

FDR had no blueprint. He switched positions early and often. But on March 12, 1933, he had his first radio broadcast Fireside Chat: "My friends, I want to talk for a few minutes with the people of the United States about banking." Sixty million people listened. Similarly, Obama has no precedent for what he is facing. He will be winging it to some degree.

I've been getting e-mails from David Plouffe, Michelle Obama and one from Barack Obama as this article was being written Wednesday afternoon: "We've put together an inaugural full of great events," President-elect Obama told me. "I want you to be a part of the celebration -- whether you're traveling to Washington, D.C., or staying at home in your community. I've recorded a short video about all the ways that you can get involved in the upcoming events. Watch the video and sign up to bring

the Inauguration to your community: <http://www.pic2009.org/yourinauguration>. This inauguration isn't about me. It's about all of us."

Thus we found two American Legion Mall appearances in Indianapolis that drew more than a combined 50,000 Hoosiers as evidence of the inspiration the Hoosier State hadn't witnessed since Robert K. Kennedy in 1968. In December, dozens of Obama campaign cells reunited in Indiana and across the nation - some 4,000 in total - to decide whether they would stay politically active or turn into community organizations.

But here's the epic challenge. If Obama cannot find a way to steer through the wars and the Wall Street/Main Street credit crisis, and our energy dilemma, he will likely fail. Kuttner explains, "Obama will need to be a more radical president than he was as a presidential candidate. Radical does not mean outside the mainstream. It means perceiving as a leader that radical change is necessary, discerning tacit aspirations and unmet needs in the people, and then making that radical change the mainstream view for which people clamor."



That Kuttner wrote his book before Obama was elected last fall is gutsy authorship. He describes himself as "no soft touch" after four decades of covering politics. He isn't a "cheerleader" and didn't write a "manifesto" but a "sobering counterweight to a lot of bad advice that he will receive to simply govern as a post-partisan, pragmatic centrist." He notes that for every FDR or LBJ, there is a Jimmy Carter. For every Reagan, a George W. Bush.

For FDR, the advantage he had was a populace not in revolt but in despair with nobody really doubting the crisis. That happens with 25 percent unemployment. At this writing, some Republicans I know question the crisis and are ready to blame Obama for any dire events emerging beyond the first 100 days when many analysts expect this spring to be fraught with danger.

Kuttner warns: So either Barack Obama will be a transformative president, or the bad economic circumstances that he inherits will sink his promise and America's, and the moment will have been lost. He will be a great president, "or a failed one, his presidency grounded in shallows and in miseries."

It reminded me of a phone call I made after the election to a friend I had tried to convince to vote for Obama. He voted for McCain and with this revelation, the friends I was with at the Irish Lion in Bloomington all chuckled. I felt bad and later told him, "Who knows, you may have the last laugh."

The problem there is that if he ends up laughing, he and all of us will likely be wincing at the same time. ❖



new taxes, no gimmicks, a third balanced budget, flat-lined education spending when other states are cleaving deeply, and saving the Rainy Day Fund until the depth of the recession emerges.

Six days later came the second inaugural - which played second fiddle to the departure of Colts coach Tony Dungy - in which the governor presented his seasonal ("flowery" as some reporters wrote; we compared it to the brilliant Chance the Gardner in the 1979 movie "Being There") assessment of the deep winter in which we find ourselves, with a vision of a green spring perhaps around the corner. In this speech, Daniels attempted to dispel the notion that Indiana is resistant to all change. "No more will historians write that we are backward and out of step," he insisted. "That we are, at best, 'gradualists' who prefer to keep to 'the more secure edge of the river.'

The Indiana they depicted would never have led the nation in capturing international investment, cutting and reforming property taxes, or bringing peace of mind to those without health insurance. That Indiana would never have devised a way to build public infrastructure in record amounts without a penny of taxes or borrowing, or to liberate the new infrastructure of fiber and frequency in a nationally innovative way."

Daniels continued, "In dramatic contradiction of old stereotypes, Hoosiers have announced emphatically to a world that belongs to the creative and nimble, where fortune truly favors the bold, that we not only accept change but are prepared to lead it, and invite the rest of America to follow us."

Finally on Tuesday with his fifth State of the State address (and getting headlines above the new, unproven Colts coach) Daniels laid down the gauntlet. Here he acknowledged the "alarm" that comes with a bleeding economy, and the "confidence" expressed among a hardy people.

There were two searing questions that bookend the greatest component of his legacy to date: the property tax reforms and constitutional property tax caps of 2008's historic HB1001.

The first bookend was whether the bipartisan majority that passed the caps 10 months ago would do so again. "What was such a good idea last March cannot suddenly be a bad one nine months later," Daniels said. "Your procrastination will add nothing to what we know. So the only real question is, do you trust the people of Indiana to weigh the evidence and make this decision, or don't you?"

The Democratic House majority bristled at being put in such a televised spot: Do you trust the people? Well, do they? They know how Lincoln would answer.

It came after weeks in which Speaker B. Patrick Bauer insisted that reform and budgeting - even though they are inextricably linked - cannot be performed at the same time. It was as if the speaker had missed the wave

of Obama-inspired "change" of 2008 - on a road Daniels had already paved - and was reduced to the 1953 Brooklyn Dodger lament: "Wait 'til next year."

Hardly inspirational.

In the best line of the night, when the topic turned to government reform, the governor needled Bauer and the Democrats: "If there is anyone present who, given a blank slate, would draw up our system just as it is, please stand up now."

It was almost the same line my liberal colleague Harrison J. Ullmann often asked a decade ago. There were no takers in the House this night.

"I thought not," Daniels said.

Along those lines, the Governor took on another sacred cow: classroom school spending. After explaining once more his plan to flat-line education spending, Daniels went on the offensive: "There is a massive new funding source available to us that won't cost taxpayers an additional cent, and that is to begin spending the education



Gov. Daniels giving his inaugural address in the South Atrium of the Statehouse on Monday. At left., Bauer and SImpson. (HPI/Franklin Photos by Isaac Daniel & Brian A. Howey)



dollar more efficiently than we do today. Especially when basic academic programs are lacking, it is totally unacceptable that 39 cents of every education dollar is spent outside the classroom. It is inexcusable that fewer than half of school employees are teachers, the third worst ratio in America. The longer the payrolls of non-teaching adults, the more we shortchange the life preparation of our young people."

This, too, was a subject of Harrison Ullmann

Thor-like rants in NUVO: that Indiana builds Taj Mahal schools at the expense of classroom spending.

This put Bauer and Senate Minority Leader Vi Simpson on their heels: Bauer grouched and compared Daniels to Newt Gingrich. "He has been throwing out these numbers," Bauer said, though he could offer no contrasting data. The governor should have been talking about jobs. He's an "artful dodger."

Simpson also noted the lack of a jobs stimulus and called the speech a "missed opportunity." The Democrats wondered if Daniels included superintendents, guidance counselors and librarians. Clearly, the Governor needs to make a more compelling case and fill in the blanks with hard data.

Democrats should do the same.

But if there was a fissure within the House Democratic caucus, it could be on classroom spending and consolidating school corporations (not schools) with under 2,000 students. Two teachers in the caucus - sophomore State Rep. Kreg Battles (who teaches chemistry at Vincennes Lincoln HS) and freshman John Barnes (a Warren Central HS social studies teacher) stood and clapped during this portion of the speech. House Majority Whip Paul Robertson told the Louisville Courier-Journal, "Anything we can do to get more money into the classroom is a plus."

Clearly House Democrats were not feeling the notion of teamwork even as the economic storm clouds gather. They were on the defensive. The governor was too

partisan. The battle lines were etched a little closer to the blood veins.

In essence, Daniels was attempting to go over their heads and make appeals to the people who, unfortunately, might still be thinking of the Colts. Caston or Taylor high school can still exist, but, perhaps, in a countywide school corporation that could provide more laboratories, foreign languages and teachers.

The reality is that the speeches of January will almost certainly give way to new April realities.

No one can tell where the economy or Indiana's fiscal picture will be then.

While Gov. Daniels didn't have a jobs theme, he and his allies are quick to remind the Democrats that the state has Major Moves (the "jobs bill of a generation" which all but one current Democrat didn't support) and that his administration is actively working up a pitch to have whatever is left of the Detroit 3 consolidate operations in low-taxed, highly skilled Indiana, the Crossroads of America.

There will be the inevitable bargaining chips. Perhaps some of the Rainy Day Fund can be used for education in return for local govern-

ment reorganization.

Daniels' ace in the hole is that the voice of response is Bauer's, who wasn't on board the Obama bandwagon until late in the process and he can terrorize them all by vowing to keep the mob in the chambers until June. Daniels and Obama are cut from a similar political cloth and lead in times of perhaps profound paradigm shifts. They ride ships facing hurricanes.

A critical final question: Will this perfect storm swamp the ship of a brilliant political tactician and peel off his savvy veneer?

This question will be revisited next May. ❖



Democratic State Reps. Kreg Battles (upper left) and John Barnes (center) applaud as Gov. Daniels talked about steering more resources into the classroom. Battles teaches at Vincennes Lincoln HS and Barnes at Warren Central HS. (HPI Photo by Brian A. Howey)



Pence prepares to become Obama's loyal opposition

By **BRIAN A. HOWEY**

INDIANAPOLIS - HPI ran into U.S. Rep. Mike Pence - now the third ranking Republican in the House - at the Statehouse inaugural on Monday, which set in motion this interview mid-Tuesday afternoon as Pence prepares to become one of the key Capital Hill loyal opposition voices to incoming President Barack Obama. He also did little to end speculation that he might be a candidate for governor of Indiana in 2012, insisting that he has "no long term plans" and will be open to future opportunities.

HPI: Have you had any conversations with President Elect Obama?

Pence: I have not. My contact with the transition team has been with Rahm Emanuel. Rahm and I spoke as recently as yesterday and several times through the course of December and early January. We extended an invitation to the incoming president to address the House Republican conference following the inaugural. Rahm indicated to me the president accepted that yesterday and we'll make arrangements to have him come in the first few weeks following next Tuesday.

HPI: Where is the American economy now and where do you think the challenges are?

Pence: The economy is struggling. We're in a recession. As I saw firsthand in Muncie last night at the town hall meeting, there are families that lost work. There are many, many more families who are afraid their job will be next. So I think it's important that the incoming president is calling for decisive action in the form of a stimulus bill. But it's also important that we do the right thing. I welcome the fact that the president-elect a week ago met with Republican leadership and made a specific request that we bring forth ideas for a bipartisan stimulus package; that the

Republicans make a very concerted effort to form a working group to bring together our best minds in the House for proposals. We're going to be bringing them forward in good faith. I think clearly the economy is struggling. It's not only in a recession but there's turmoil in the housing markets and in the financial sector contributing to a very anxious time for American families.

HPI: How bad could it get? Some like Paul Krugman of the New York Times suggest we may be on the verge of a second Great Depression. Could that happen?

Pence: Let me say that that's an economist that I've differed with. The failure of the New Deal wasn't the failure to spend enough. I much more associate my thinking with economist Amity Shlaes, who has the view that excessive government spending and higher taxes and an unpredictable regulatory regime in the 1930s extended and worsened the Great Depression. Shlaes points out in her recent book "**The Forgotten Man**" the recession had abated by the middle of the 1930s in the West with

the exception of the United States. She argues that it was the spending and taxing policies of 1932 and 1936 that exacerbated the situation. That's why I say it's important for the Congress to act, but one of the lessons of the 1930s is we can't borrow and spend back to a growing economy. We need to be decisive, but my belief - and I think you'll see this in a broad range of Republican proposals - is that while there may be a need or justification to forward funds for infrastruc-

ture or there may be a need to provide additional grants to provide assistance on Medicaid to states, the lion's share of any stimulus plan has to be an effort to give the American people and businesses more resources to create jobs. We believe the cures for the economy are the resources and the genius of the American people. It will not be about the Treasury or borrowing from other generations to try and prop up the economy.

HPI: How big should the stimulus package be?



U.S. Rep. Mike Pence with former legislator Billy Bright at the Statehouse inaugural on Monday. (HPI Photo by Brian A. Howey)



Pence: I'm prepared to listen to what the rationale basis is for any plan. I think the size of the bill is of less significance than the means employed in the bill. Borrowing from future generations of Americans to fund roads and bridges and state projects to me is of limited value. Like a can of Red Bull, it may have a short-term effect on the economy but that caffeine or that kind of stimulus will wear off quickly. Whereas I believe broad-based, across-the-board tax relief for family farmers and working Americans is precisely what got the economy moving when President Kennedy was in office, the economy moving when President Reagan was in office, and it's what will get this economy moving in 2009.

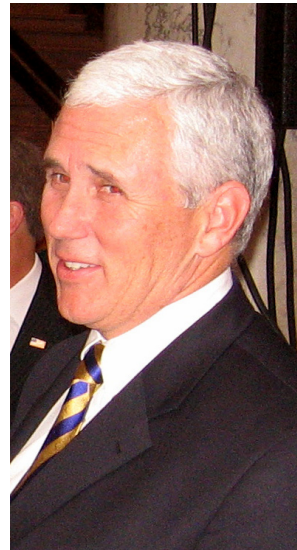
HPI: Is there a parallel to the Reagan tax cuts of 1981 that showered existing technology with investment monies that then brought cell phones, fax machines and personal computers to market by mid-decade, to now and emerging green technologies?

Pence: Certainly. When I was visiting the Brevini factory site in Muncie with 550 jobs headed to Delaware County, the wind turbine manufacturer already believes that green jobs are going to expand and create great job opportunities for Hoosiers and all Americans. The best way to encourage that is to create incentives in the tax code. I also fall back on the notion that we've got to see all the ships rise. President Kennedy said that when the tide comes up, all the ships rise. That's why you're going to see Republicans push tax cuts and tax relief. We're going to be arguing for some very dramatic and I believe permanent, tax relief that will give Americans confidence and create jobs. The greatest crisis facing our economy today is a crisis of confidence. In the 1930s, according to most economists and historians, there was a crisis of capital. There really was a lack of capital in 1929 and 1930. If you talk to the experts, there is a great deal

2012 Governor's Race Pence: 'We Always Look for Opportunities'

HPI: There has been some speculation on your future political plans. Are you on a congressional track or are you thinking about the 2012 Indiana gubernatorial race?

Pence: Brian, I'll tell you what, if you had asked me the day before Election Day whether I would be on a path to leadership you would have heard what other folks heard when they approached me on Capitol Hill. I would have given you a definitive no. When I started getting the calls the day after the election, I was drafted by conservatives and liberals and Republican leaders and I just felt a sense of duty; my colleagues thought I had something to offer at that particular time for the conference and I was pleased to do that. Decisions about our future will be made as time goes on. I'm not a long-term planner. This conference position wasn't in my plan. If opportunities present themselves in the future we'll have prayer and deliberation. We don't have any long-term plans but certainly we always look for opportunities in the future for the people of our district and the people of Indiana. ❖



of capital in the market-place. It just isn't going anywhere. Banks are husbanding their resources. That's where we've got to create the kind of incentives to unleash the capital to put Americans back to work.

HPI: How is the \$350 billion Obama tax cut playing in your conference?

Pence: Obviously we welcome the inclusion of tax relief in the president-elect's proposal. But I would hesitate to comment on it until we've seen the details. Some of what candidate Barack Obama advocated really looks a little like a government program that likes tax relief. At least he campaigned on an effort to give tax relief and refund checks to people who don't pay taxes. When he did that I supported it. We did that last spring. I believe every economist from Amity Schlaes to Paul Krugman agreed the stimulus bill Congress passed last year had no effect on stimulating the economy. We are talking about broad-based tax relief going to encourage capital formation and investment and create jobs.

HPI: Obama has talked about using the remaining \$350 billion in TARP funds. Do you agree with him on that?

Pence: Republicans in Congress ought to be asking two questions: where did the first \$350 billion go? And what's the hurry? The rush to spending last fall has been recognized by an overwhelming majority in this country a bank bailout. The wisdom of having gone through that experience is informing a great number of Americans that until we know how the first \$350 billion was spent - and we do not know - and we need to know how the incoming administration intends to spend those resources so they will be effective. Other than the incoming administration



wanting the outgoing to take responsibility for TARP, I don't understand why this is something Congress should undertake. I think we can get it right.

HPI: Does it concern you that the same people who got us into this mess are the ones we are relying on to get us out?

Pence: From Capitol Hill to Detroit, frankly, a lot of the people who were there; who were participating in those decisions in the financial calamity, are still in positions of authority. Now, with the new administration, I hear a different approach to the banking bailout. I hear about greater oversight, but here again, last night in Muncie one of the lines

I heard from a lot of people and get the strongest reaction from is we can't buy or spend our way to a growing economy. I ran into one lady who lost her job last month. With tears in her eyes she told me, "I lost my job. With this banking bailout I know we are spending hundreds of billions of dollars for Wall Street. Congressman, can you tell me how any of that has reached someone like me?" I looked at her in a compassionate way and I said, "No. That's why I didn't want to come to you and ask you to pay for it."

HPI: What are you using for scale and a guiding light on the Detroit 3 bailout?

Pence: Not only are there tens of thousands of Hoosier jobs, there are tens of thousands of Hoosier retirees. I went to Anderson a couple of years ago which lost thousands of General Motors jobs, but those retirees stayed. There is a very large stake for Indiana and all Americans. There's no question Congress had the right to ask, but handing out billions of dollars with no strings attached to Detroit is not the answer. I really believe the outline we developed in December would do two things. It would draw up the means to reorganize, and secondly, the need to facilitate financing to these companies in reorganization. We are going to continue to advocate that. It's a



Pence poses for a picture at the Statehouse as Chief of Staff Bill Smith snaps the photo. (HPI Photo by Brian A. Howey)

bankruptcy but you don't file bankruptcy. I suggested we develop a strategy called the American Automotive Reorganization Act of 2009. What you can do is extend the jurisdiction of the federal bankruptcy court specifically for the purpose of a prepackaged reorganization. The reason that is necessary - and I stood in front of 75 suppliers in Shelbyville not long ago and there was a lot of affirmation in the room - when you have companies of this complexity and this size, do you think you can get the bondholders and shareholders, white collars and blue collars, all in the room and through a voluntary dialogue make the tough choices necessary to make these companies competitive? The reason you need to get these companies in court is what happens every day at the courthouse in Indianapolis. When you do, you get all the stakeholders in the room, all the parties agree to an expert in the industry, and they come back and say, 'This is what I think is necessary.' The judge with the force of the law drops the gavel, it goes bang on the table and everyone goes down the road. Absent that, it's hard to imagine any company like General Motors or Chrysler making the kind of changes that will make them competitive. I was on Larry King with Charlie Rangel and he said, "That's not off the table." We were on with an economist who said, "You can't do a pre-pack-



aged bankruptcy or whatever you call it because nobody is going to loan money into that." At that point I said, "You're absolutely right. There should be a government guarantee of any investment that's made post-reorganization." I think the federal government has a role, not in writing taxpayer checks, but saying to the various financial institutions and private investors, "We are a backstop. We will give a federal guarantee of any debt financing you make available." You do those two things together and these companies come out stronger. They have a business plan and they have the resources. There is no doubt in my mind the domestic auto industry can compete by putting themselves in a position where they can reorganize.

HPI: What do you see happening next April or May after the Big 3's March 31 deadline?

Pence: There are two ways we can go. The American people can anticipate Detroit coming back again and again for another installment of the bailout. Some have said it will take \$130 billion to make these companies whole. Or we can say to these companies after March 31 that we will extend federal authority to reorganization and help them get on their feet.



The Mike Pence Show set, circa 1997.

HPI: Will the private lending be there? We've put in \$335 billion to Wall Street and the banks and credit is still relatively scarce and the big banks like Citigroup are still bombing.

Pence: The confidence of the financial markets with the Big 3 has been shaken to its core. But with a federal guarantee, you simply say, "Look, if for any reason this reorganization doesn't work and these companies go away, you have the faith and credit of the United States of America."

HPI: You will be one of the key voices of the loyal opposition to President Obama. What will guide you in this role? Are there any role models, like our own Charlie Halleck with Presidents Kennedy and Johnson?

Pence: It's a great question. I'm a conservative but I'm not in a bad mood about it.

HPI: Love that line.

Pence: Republicans need to cooperate. We do cooperate, compare and contrast. The American people want us to look for opportunities to work together. Even in

disagreement, my ambition has always been to be gracious whether they agree with my philosophy and I intend to continue that in my role as conference chairman. My office was located next door to Rahm Emanuel's the last couple of years. We worked together on more than a couple of bills. I have a very cordial relationship with him. He has my cell phone, number I have his cell phone number. Frankly, I feel I have a good relationship with everyone. We're going to have disagreements, but my goal is to encourage Republicans to seek to cooperate and when we disagree, we can disagree without being disagreeable.

HPI: I can't believe what we've seen and gone through over the past six months. Do you feel the same way and are you confident we can get out of this?

Pence: In my eight years in Washington, my opinion of our national government has gone down and my opinion of the American people has gone up. I have no doubt, having seen the American soldier down range in Afghanistan and Iraq, having seen the compassion and volunteerism on the streets of New York immediately after the Sept. 11 attacks, seeing the outpouring of support following Katrina, to the flooding in Columbus, Indiana, I have no doubt the American people are up to this challenge. We will rise above it if we can give the American people the means to get this

economy back on its feet. My confidence in Washington is less than my confidence in the American people. Maybe there is a role for more federal spending, maybe there is a role for state grants. Any package I support has to help the inherent power of the American people.

HPI: When you met with the Indiana Family Institute members at the Statehouse on Monday, what was your message?

Pence: It was about the effort to add a message of traditional marriage. I believe there is a pro-marriage majority in the Indiana General Assembly. There is a pro-marriage majority in the state of Indiana. I believe we can bring the measure forward over the next two years. Marriage is an extremely important institution in our society. I'm from south of U.S. 40 but I know the difference between defending and attacking. My motivation on marriage is defending an institution; it's not about attacking people who may be in a relationship that doesn't square with my personal or religious beliefs. ❖



As heard and seen at an Indiana inaugural

By **BRIAN A. HOWEY**

INDIANAPOLIS - Monday's Statehouse inaugural was a delicious stew of statescraft and ambition. There was **U.S. Rep. Dan Burton** and at least four potential Republican rivals milling around the floor. There was **U.S. Rep. Mike Pence**, the third ranking Republican in the U.S. House, who refused to rule out a gubernatorial run. We found **Sen. Dick Lugar** talking for former Brooklyn Dodger pitcher **Carl Erskine**. **Gov. Doc Bowen** was back. Despite being in office for a year, there was Indianapolis **Mayor Greg Ballard** introducing himself to **U.S. Sen. Evan Bayh**, one of two former governors in attendance.

Lt. Gov. Becky Skillman gave one of the best speeches of her career. "I have found great inspiration in the strength of our people," Skillman said. "Growing up in rural Indiana, I've seen that strength in my family - my parents and sister and extended family, many of them here today. I've seen that strength in my husband, **Steve**, and our son, **Aaron**. And I've seen it in countless Hoosiers. It's a willingness to give even when they lack, to help even when they feel weak, and to move forward even when they are more comfortable staying put. And the only way to move, is forward."

While she and **Gov. Daniels** are only in the first days of their second term, the subplot is the next generation. Skillman is concentrating on the immediate legislative session, but as you've read the comments of Rep. Pence, all options are open for the next four years, including at least a dozen Lincoln Day dinners. Pence acted like a player for Statewide office. He hung around until the last dog was dead. **Chief of Staff Bill Smith** was telling partisans that Pence will be making appearances in seven counties outside of his 6th CD this year.

U.S. Rep. Baron Hill - a potential Democratic gubernatorial candidate - was there. Though Democratic **Chairman Dan Parker** (who wasn't) tells HPI that the DNC is now indicating that Indiana won't lose a Congressional seat after the 2010 Census. **U.S. Rep. Brad Ellsworth** was also in attendance.

The 5th CD was a conspicuous source of intrigue. Burton - who's held the seat since 1982 - is planning to run in 2010 after a narrow primary victory over **Dr. John McGoff** last May. Sources tell HPI he will likely endorse someone who doesn't challenge him in '10 for the 2012 race. Many believe that could be **State Sen. Mike Delph**, a former aide. But those at least expressing a direct interest in Burton's seat to party insiders include **Brose McVey** (who is filing an exploratory committee this week), McGoff, **State Rep. Mike Murphy**, **State Auditor Tim Berry** and **Marion County Prosecutor Carl Brizzi** (who is also being mentioned as a potential gubernatorial contender.) One challenger would be a problem for Burton. Multiple challengers will almost certainly assure him another term.

Former State **Rep. Heath Vannater** - who never attended a floor session after taking **Jim Buck's** seat in caucus but then failing to get the nomination - is setting the table to challenge **State Rep. Jacque Clement** in the '10 GOP primary. Rep. Murphy is working for Vannater behind the scenes, our informed and reliable sources say. ❖



Inaugural scenes (from top) Sen. Lugar and Lt. Gov. Skillman in the governor's office, Attorney General Zoeller and wife, U.S. Rep. Hill, and Rep. Ellsworth.



Shepard vows to play role in foreclosure crisis

By **RENEE ESTRIDGE**

INDIANAPOLIS - Indiana Supreme Court Chief Justice Randall T. Shepard vowed that Indiana courts will have a role in helping combat foreclosures in his State of the Judiciary address Wednesday.



Shepard said that though Indiana isn't ranked the highest of the states in foreclosures, the number of foreclosures in Indiana has risen 50 percent in the last five years. "Last year we had more new foreclosure lawsuits filed than new divorce lawsuits filed," Shepard said. Indiana has over a thousand "lawyers and mediators and judges" who can help citizens going

through foreclosure, the chief justice said. [private]

Shepard mentioned the work Lt. Gov. Becky Skillman and various Indiana housing groups have done to assist homeowners, renters and landlords going through foreclosures. He pledged assistance from the judicial branch.

"I promise you this: by next summer Indiana will have trained more judges and pro bono lawyers and mediators to help people who are facing foreclosure than any other state in America," Shepard said.

Shepard also said that foreclosures cause problems within families, and promised to help children who are victims in such situations. New technologies have increased efficiency in the transfer of information between juvenile probation officers, courts and caseworkers, Shepard said. He also placed importance on personal interaction with the "troubled children," and supported Gov. Mitch Daniels' proposal that all children have access to an advocate.

"With abuse and neglect on the rise, all the more urgent it is that we provide threatened children with an advocate, a guardian ad litem or a court appointed special advocate," said Shepard. "They are sometimes the only point of stability in a troubled child's world."

Shepard also outlined ways in which the Indiana courts are trying to cut costs and save the state money. He mentioned three technological ways the courts have done this, including new electronic traffic citation systems now used by the Indiana State Police as well as 57 other police and sheriffs' departments, electronic transfer of traffic case information to the Bureau of Motor Vehicles and new Department of Revenue technology that sends tax warrant information to county clerks without fee.

Shepard closed his speech by acknowledging a milestone. He said that for Abraham Lincoln's 200th birthday, "hundreds of lawyers and judges will go to Indiana's classrooms to talk with tens of thousands of students about

Abraham Lincoln the President, Lincoln the lawyer, Lincoln the citizen, and about the kind of engaged citizens we want those students to become when their time arrives.

"In the midst of so much gloom, this will be a message that causes reason for optimism ...about the future of our nation and our state," Shepard said.

Judiciary reassigns bills

By **KELLY LYNCH**

INDIANAPOLIS--The Senate Judiciary committee spent much of Wednesday morning meeting sending bills to the Appropriations committee, because the bills themselves will likely cost money.

The committee reassigned a total of four bills, by unanimous votes, during the 90-minute meeting. One of those four was a proposal that creates a sixth Court of Appeals district. The proposed district covers the entire state and would allow the court to take more time on each case.

John Baker, chief judge of the Court of Appeals, cited the importance of a 100 percent clearance rate and said he believes an additional district will bring better outcomes for cases, and the court could continue its outreach program "Appeals on Wheels." The program allows schools across the state to host a real-life court case. It's unlikely to pass because the new district comes with a price tag of \$2.2 million, which would come from the court's budget.

Committee Chair Richard Bray, R-Martinsville, said he was "not optimistic about it happening this year."

The committee unanimously reassigned the bill to the Senate Appropriations committee.

The committee also reassigned a proposal that would increase automated record keeping fees from \$7 to \$10. The extra money would help with a more aggressive installment of a case management system, a way to program the system, and substantial additional projects, said State Supreme Court Justice Frank Sullivan, Jr. The case management system, Odyssey, would track cases and make it easier for those involved to get a hold of information, he said.

Also on the agenda was a bill to allow a second magistrate in the Allen County court system. The state would have to provide funds for that proposal, too.

Changes proposed for gaming

By **JULIE CROTHERS and KELLY LYNCH**

INDIANAPOLIS - A House committee Wednesday heard two bills that would change the rules regarding gambling businesses. Rep. Trent Van Haften, D-Mount Vernon, chair of the Public Policy committee, sponsored House Bills 1038 and 1285.

HB 1038 would alter regulations concerning horse tracks and casinos. It would prevent the Indiana Horse Racing Commission and Indiana Gaming Commission from



imposing fees on new owners.

Ernie Yelton, executive director of the IGC, and Robin Babbitt, Representative of IHRC talked to the committee about the last year's decision to instate an emergency rule to transfer ownership. Van Haaften asked if the money from this emergency plan was sent anywhere other than the state government. Babbitt said, "Absolutely not."

The committee also heard HB 1285. It calls for own-

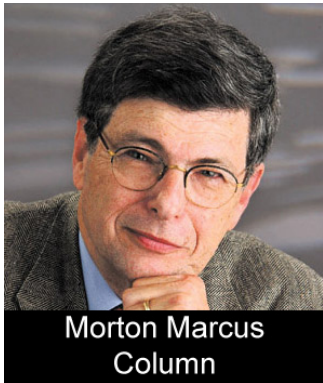
ers of a gaming facility to have a trustee designated who would take over the facility if certain events rendered the original owner unable to operate it. Van Haaften said that the trustee concept "has been proven to work," and that he had never heard one negative comment about it. He said the bill would help communities retain the jobs and money casinos provide even if the owner faces financial difficulties.



When government is stuck, then citizens must step up

By **MORTON J. MARCUS**

INDIANAPOLIS - Here we go again. The legislature is in session and the governor tells us how tight the budget will be. Can you recall a time when Hoosier state and local budgets were not in trouble? Did any governor ever come before the General Assembly and say "Folks, we got more money than we know what to do with. Now, How we should improve government services? Where do we focus first?"



Morton Marcus
Column

We have not heard those questions because Indiana's economy has performed poorly, compared to the rest of the country, for so long that we don't have the options of good times. For example, in the third quarter of 1998, Indiana enjoyed 2.01% of the nation's personal income.

en years later (July, August and September 2008) our share sank to less than 1.80% for the first time since 1948 when records begin. That is a loss equal to approximately 12% (\$26 billion) of our personal income for 2008.

For the past 10, 20, 30 years Indiana has not kept pace with the nation. This long term slide goes on and there is no evidence that the current administration will be able to reverse the trend.

That is not to say that current policies are inappropriate for our needs. Our economic development programs are both opportunistic and directed. We are opportunistic in that we work happily with a Honda to bring more automotive activities into Indiana.

There is little diversification in such a move. But diversification is not a meaningful objective. Jobs are not the

ultimate objective. Income is what we seek. Income creates jobs, income provides for improvements in the quality of life, income might even buy some happiness and civility.

For this reason, the directed efforts of the state to improve education and training, to encourage bio-tech, life sciences, modernized manufacturing and logistics with other magical sectors are most appropriate. Each is aimed at increasing Hoosier income.

Today we have a tremendous task before us. Basic government services must be maintained in difficult times. Yet our Hoosier governments at all levels are often mediocre performers. Consolidating the witless with the indifferent will not lead to excellence. Nor can we expect decreased costs of service unless we are able to move our best public administrators into more effective positions. And we must attract more competent citizens into public service.

If Indiana is to make significant strides, we must depend more on the private sector. What is the largest part of the private sector? You, the people in the households of the state. Not business nor the non-profits, but you as a consumer, a citizen, a commuter, and a colleague at work.

Your tolerance of poor performance at work, your acceptance of inferior quality in the market place, your neglect of improper behavior on the streets keeps this state from making progress. Our collective Hoosier preference for smooth waters leaves us sinking in the mire of a backwater society.

For example, why are children and adults with learning disabilities served so poorly? Why are our best students turned by inadequate schools into stultified, sardonic caricatures of teens? Why are our firms not competing as well as they could with those in other states? Is it that dunderhead who works next to you or the one who is your boss?

Recent polls indicate that Hoosiers want better lives and are willing to pay higher taxes to achieve their goals. But there is no evidence that they are willing to step up and speak out. Nor is there evidence that many notice the inadequacies in their community cocoons.

Look around. See something you don't like? Get going and change it. ❖



Why Obama has to be the next Ike or FDR

By **DAVE KITCHELL**

LOGANSPORT - Cabinet appointments, conflict on the Gaza Strip, an economic incentive package and the seating of his successor in the Senate are all putting a ginormous issue for Barack Obama on the national back burner.

His aforementioned and as yet undetailed infrastructure plan is one that could ultimately mean more for Indiana and the country's economy than the incentive package or any other act of the Obama administration. At least one magazine has drawn a comparison between Obama and Franklin Delano Roosevelt with the headline "The new New Deal." But if his infrastructure plan materializes, he could be the new Dwight David Eisenhower, as in the president who gave us the National Highway System. FDR and Eisenhower both had good reasons to invest in national infrastructure. FDR needed to put people to work. Eisenhower wanted an internal network to transport the military during the Cold War build-up. He probably never envisioned what the interstate system would give us in tourism and economic development.

Since man first landed on the moon in 1969, there has been little national urgency to do anything of a great national scope. Most American moments we've experienced have been Olympic-related. We've had our scandals, our conflicts, our tragedies and good days and bad, but we've had few defining national benchmarks like FDR and Ike provided us.

Obama could give us a taste of both former presidents by including an interstate route that is already in the works.

Consider this: An I-69 built from Michigan to Brownsville, Texas, directly through Memphis. It's been known for several years as the Mid-Continent Highway -- and therein lies the problem. It's a proposed highway that's only been proposed for several years with most of it yet to be built.

For now, I-69 ends in Indianapolis. In all likelihood, it will be another 20 years before the highway that could be the main North American conduit for commerce will be finished. This isn't just any highway we're talking about.

This is potentially the next American main street.

The wheels of transportation funding in this country have begun to grind more slowly even as more people are driving at higher speeds across the nation's interstate system because there's simply not the funding there once was.

Unless Obama includes the Mid-Continent Highway in his infrastructure plan, 20 years may even be optimistic for completion. There are three reasons why:

1. Money. This project is the 21st century equivalent of the old Route 66. It's been on the drawing board, but the cost of building a highway that goes from the Great Lakes to the Gulf of Mexico is a budget buster. It made an infamous list of the most expensive federal projects once (The Green Report), but this is a project with national significance that is being rammed down the mandate throats of state budgets. Texas might be able to afford its share, but what about Kentucky, Tennessee and Mississippi?

2. Priority. Shipping goods via rail might be cheaper and faster, particularly if high-speed rail is a higher priority than a new 4-lane highway. Existing routes such as I-57 through Illinois to Memphis could be enhanced to take the wind from the sales of I-69 from Evansville south.

3. Political gamesmanship. Let's face it, since Eisenhower, most highway projects in this country have been notches in the belts of people like Robert Byrd and Ted Stevens. The winners in highway funding have bridges to nowhere and roads to everywhere.

In an era of on-time delivery importance, completing I-69 and establishing a Mid-Continent Highway that could redefine transportation patterns in this country. It also could be the poster child project for all the infrastructure projects that can't be done by one or two states alone, but represent national transportation advantages that create new economic development corridors. It would be the asphalt equivalent of the Mississippi River in the 1800s.

Route 66 became known as the Mother Road because it was the road of 20th century manifest destiny -- the coast to coast trips, vacations to national parks and expansion of regional companies to nationally known household names.

NAFTA has changed the dynamic of manifest destiny from east-west to north-south. But only federal leadership from someone like Obama at a time change is in the air can change the dynamic of transportation funding and construction. If it happens, Indiana truly will once again be at the Crossroads of America again.

Dave Kitchell is a veteran Indiana journalist from Logansport and a Ball State journalism instructor.

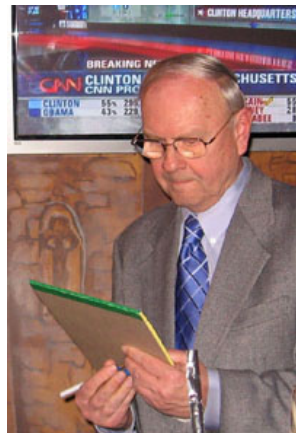




Legacy of the Greatest Generation

By JACK COLWELL

SOUTH BEND - Once they were called "The Greatest Generation," hailed in Tom Brokaw's best seller as the Americans who came of age in the Great Depression and World War II and went on to win that war, develop the nation's industrial might and bring the American Dream to an expanding middle class.



Now they are portrayed as selfish - overpaid and underproductive - causing the collapse of the nation's industrial base and complicit in the looming threat of another Great Depression and the shattering of the American Dream.

Well, the denunciations aren't directed specifically at the folks Brokaw praised but at what they built and their middle class children and grandchildren who also pursued the American Dream, especially if they pursued it in Michigan or Indiana or

elsewhere in the industrial Middle West.

But denunciations come, cruel and unfair, just as many in the nation face the shattering of what "The Greatest Generation" strove to include in the American Dream - owning a home, earning a wage to permit sending kids to college, being able to count on a pension after retirement and having some help with the bills if sick or injured or widowed.

Denunciations come from members of the United States Senate such as Sen. Bob Corker, R-Nissan, and Sen. Richard Shelby, R-Honda, who see bankruptcy of the automotive Big Three, along with Draconian pay and benefit cuts for union auto workers in the Middle West, as good for their state-subsidized foreign automakers. They don't want necessarily to send Michigan and Indiana into a depression, but do they care about consequences here?

Denunciations come from segments of the national news media that harp on the distorted statistic that United Auto Workers members make something like \$72 an hour. Really? Ask the AM General workers in Mishawaka if they make \$150,000 a year. The distortion comes from adding up all pensions and other benefits for every UAW retiree and surviving spouse and everything else for the past and presently depleted workforce and then dividing by hours now worked. Should we blame "The Greatest Generation"

for seeking pensions and having concern for widows?

Denunciations come from lawmakers who never asked the high salaried executives who won huge bailouts for financial institutions if they came in corporate jets to raid the treasury. Nor did they demand that those executives savage their workers, taking away pay, benefits and jobs in order to qualify for assistance. That was only expected of the automotive Big Three, those symbols of the industrial might created by "The Greatest Generation." How was that generation so wrong?

Although the UAW and the Big Three now work together, cooperating to keep an American automotive industry alive and prevent a devastating depression in Michigan, Indiana, much more of the Middle West and perhaps in the whole country, some politicians would welcome labor discord to destroy the union.

The UAW in 2007 agreed to sharply lower starting wages for new Big Three hires, about \$15 an hour, at or even below base pay at some of the plants operated by the foreign automakers. Also, the union will remove billions of dollars of financial obligations of the Big Three when the UAW health care trust takes over responsibility for medical bills of retirees in 2010.

Did "The Greatest Generation" seek too much as it built the booming auto industry? Overtime pay, paid vacations, paid holidays, pensions, health care coverage, take-home pay to propel them into a prosperous and growing middle class?

Many of those concepts became part of American life, not just for those at Detroit auto plants.

Those of that generation never saw a time when their offspring would have to compete with workers abroad making so much less and having so few benefits.

Realities of trade policy, economic policy and a global economy have now made concessions necessary. Some concessions should have come earlier.

In fixing blame, however, let's recall that the workers weren't the ones deciding to build cars that didn't sell and to stick with gas guzzlers as skyrocketing gas prices loomed. Workers now laid off aren't the ones with those golden parachutes. "The Greatest Generation" and its offspring didn't cause the present mess by their desire to be part of the American Dream. ❖

Colwell has covered Indiana politics for more than five decades for the South Bend Tribune.



Frank Rich, New York Times: Three days after the world learned that \$50 billion may have disappeared in Bernie Madoff's Ponzi scheme, The Times led its front page of Dec. 14 with the revelation of another \$50 billion rip-off. This time the vanished loot belonged to American taxpayers. That was our collective contribution to the \$117 billion spent (as of mid-2008) on Iraq reconstruction — a sinkhole of corruption, cronyism, incompetence and outright theft that epitomized Bush management at home and abroad. The source for this news was a near-final draft of an as-yet-unpublished 513-page federal history of this nation-building fiasco. The document was assembled by the Office of the Special Inspector General for Iraq Reconstruction — led by a Bush appointee, no less. It pinpoints, among other transgressions, a governmental Ponzi scheme concocted to bamboozle Americans into believing they were accruing steady dividends on their investment in a "new" Iraq. We could certainly do worse than another 9/11 Commission. Among those Americans still enraged about the Bush years, there are also calls for truth and reconciliation commissions, war crimes trials and, in a petition movement on Obama's transition Web site, a special prosecutor in the Patrick Fitzgerald mode. One of the sharpest appointments yet made by the incoming president may support decisive action: Dawn Johnsen, an (Indiana University) law professor and former Clinton administration official who last week was chosen to run the Office of Legal Counsel in the Department of Justice. This is the same office where the Bush apparatchik John Yoo produced his infamous memos justifying torture. Johnsen is a fierce critic of such constitutional abuses. In articles for Slate last year, she wondered "where is the outrage, the public outcry" over a government that has acted lawlessly and that "does not respect the legal and moral bounds of human decency." She asked, "How do we save our country's honor, and our own?" As Johnsen wrote last March, we must also "resist Bush administration efforts to hide evidence of its wrongdoing through demands for retroactive immunity, assertions of state privilege, and implausible claims that openness will empower terrorists." As if to anticipate the current debate, she added that "we must avoid any temptation simply to move on," because the national honor cannot be restored "without full disclosure." She was talking about America regaining its international reputation in the aftermath of our government's descent into the dark side of torture and "extraordinary rendition." ❖

Mark Bennett, Terre Haute Tribune-Star: What's hot in 2009? A ride in the Handbasket to Hell, of course. Nobody really wants to jump on that overflowing

bandwagon, yet most of us have metaphorically destined our cash-strapped nation for that course. The economic distress is real — the layoffs, lost savings and investments, bills and dropping home values. It touches almost everyone daily. We hear it, read it, discuss it, rehash it. But there's a moment coming, hopefully soon, when Americans reach a saturation point with the relentless pessimism. Yes, worries are plentiful. Politicians, economists and financial analysts have warned us, things could get worse in 2009 before they get better. In the meantime, though, those with jobs — and that's at least 93 percent of the labor force — must still go to work. Most of us can still expect to eat, sleep, worship, study, play, drive, ride, converse, see children and grandchildren born ... Laugh. Yes, Robert Plant's old Led Zeppelin concert plea — "Does anybody remember laughter?" — applies today. ❖



Gary Gerard, Warsaw Times-Union:

There are some really significant problems facing our country right now, to be sure. Economic woes top the list. So now our leaders are trying to figure out how to fix things. But it seems to me, before you can fix something, you must first figure out the root cause of the problem. And here is what's scares me more than anything going forward. I think the guys trying to fix things are the problem. That is, I think our government has put us in this mess and now it's left to them to pull us out. I'm not optimistic. The policies put in place by our government led us into this fiscal mess. That's inarguable. Too much spending. Too much waste. Too much debt. Poor oversight of financial institutions. But I think an even deeper problem lies in what drives the policies. Why do elected officials enact policies like these? This is the scary part, and until it changes, I don't think we're going to fix anything. It's graft. It's corruption. It's policy sold to the highest bidder. It's influence peddling. It's high-stakes quid pro quo. Quid pro quo has become endemic to our political system and it drives bad, bad policy. ❖

Rich James, Post-Tribune: I decided to make some New Year's resolutions this year in order to help form a more perfect union. Lord knows, there is much to be done on the local, national and world stages. Wasn't "change" the buzzword of the presidential campaign? Therefore, I will strive in the coming year to: * Convince the rednecks who voted against Barack Obama because his father is black that the Civil War ended 143 years ago. * Stop being so hard on the Republicans, for they know not what they do. Besides, haven't the last eight years been hard enough on them? * Help the Indiana General Assembly make more decisions than excuses. Give Barack Obama some time to do what he vowed -- unite the nation. ❖



Chrysler to decide plant reopening today

DERTOIT - Chrysler officials could clarify the employment status of thousands of local workers as early as today, almost a month after 29 of the car manufacturer's plants shut down (Kokomo Tribune).

Workers have been furloughed since Dec. 19 as the struggling firm has tried to reduce inventory at dealerships. Tuesday, Chrysler spokesman Mary Beth Halprin said today could signal a decision as to how many of the company's workers will return to the Kokomo Transmission Plant, the Kokomo Casting Plant and Indiana Transmission Plants I & II. "As of right now, we haven't OK'd any other changes to the schedule," Halprin said Tuesday of plans to reopen some or all of the company's plants Jan. 20.



State beefing up Workforce One offices

FORT WAYNE - The state announced drastic steps Wednesday to cut through the bureaucratic snarls that are keeping people from their unemployment checks (Fort Wayne Journal Gazette). In northeast Indiana, the state is more than doubling the number of representatives in WorkOne offices with authority to go into the computer system and cancel holds placed on unemployment payments because of a confusing computer filing system. In addition, the state is opening an office in Fort Wayne, where 50 additional representatives will work through the backlog of such holds across the northern half of Indiana.

Bush farewell at 8 tonight

WASHINGTON - President George W. Bush's farewell speech is more than a goodbye to the nation that elected him twice. It is his last chance in office to define his tumultuous presidency in his own, unfiltered terms - a mission that will keep his fire burning even after he fades off to a quieter life (Associated Press).

Fight looms over stimulus fund control

INDIANAPOLIS - The state legislature -- not Gov. Mitch Daniels -- would have the authority to distribute federal stimulus dollars for road projects under legislation a House transportation panel is expected to discuss today (Ruthhart, Indianapolis Star). The bill's author, Rep. Terri Austin, D-Anderson, did not return calls seeking comment Wednesday. Jane Jankowski, the governor's press secretary, said the administration was reviewing the bill but declined to comment on it. Sen. Luke Kenley, who chairs the Senate Appropriations Committee, said that if and when Indiana receives federal money for transportation projects, how it is spent should be a joint decision between the legislature and Daniels.

Superintendent accuses Daniels of misleading

MERRILLVILLE - Merrillville Superintendent Tony Lux said the number Daniels is quoting doesn't tell the whole story. Current law doesn't allow money to be transferred between the general fund and other funds, such as those for capital projects, transportation and debt service (Post-Tribune). "Half of it is untouchable for use within the school," Lux said. "If the state was to bid out a contract for buses and there was money saved, according to current bylaws, we couldn't

even use it in classroom. The governor is purposely misleading the public with this, and he's making it sound like we're redirecting funds to unnecessary expenses," Lux said.

Gaming fatigue cited

FORT WAYNE - Allen County would be home to the state's newest casino under proposed legislation that would move 500 slot machines from the Hoosier Park casino in Anderson to an off-track betting parlor in Fort Wayne (Fort Wayne Journal Gazette). But the effort has long odds in a legislative session in which many lawmakers are tiring of the annual fight over gambling. "There is a weariness from legislators over gambling," said Rep. Terri Austin, D-Anderson, the author of the bill. And that fatigue is her biggest roadblock, she conceded. "I would still be surprised if the effort to move any kind of gambling to Fort Wayne happens this session," said Rep. Randy Borror, R-Fort Wayne. "I just don't know if the groundwork has been done to move a bill like this. There hasn't been enough prep time."

Bayh wants tuition tax break in stimulus

WASHINGTON - Sen. Evan Bayh is working to include tax breaks for college tuition in economic stimulus legislation that congressional Democrats hope to pass by early next month (Gannett News Service). Bayh, D-Ind., said the changes he is seeking also would make it simpler for families to apply for the assistance. "This is a terrible time of stress for middle-class families," Bayh said. "One of the greatest burdens is trying to make college more affordable." The proposal Bayh introduced yesterday with Sen. Charles Schumer, D-N.Y., would replace two existing tax breaks -- the HOPE and Lifetime Learning credits -- and an existing tuition tax deduction with a tax credit worth up to \$4,000 per student.