



Coats reemerges in a new era

Republican's comeback finds him with big lead, but challenges remain

By **BRIAN A. HOWEY**

KOKOMO - Dan Coats came of age politically when he emerged from Dan Quayle's shadow during the thrust of the Reagan Revolution. He is the only Hoosier not named Lugar or Bayh to hold a U.S. Senate seat since 1977. He is undefeated. He has been married only once.

And he surprised just about everyone when he reemerged as a candidate on Ground Hog Day - 12 years after having last held elective office and 18 years since being on a ballot. When the news got out, former Sen. Phil Gramm dialed him up to inquire how his "second marriage" was faring. It was a joke, of course, Marcia Coats had fully signed off on his return to senatorial politics.

He waded in last January when rumors of Sen. Evan Bayh's retirement that autumn had faded. U.S. Sen. John Coryn had tried to coax U.S. Rep. Mike Pence into the race. "I was 100 percent supportive of Mike," Coats told



A relaxed Dan Coats speaks to Howard County Republicans on Aug. 3 in Kokomo. (HPI Photo by Brian A. Howey)

me as we drove from Southport to Kokomo on Aug. 3. "I said obviously you've got to do what's best for you and your family and so forth. He said he had given a lot of thought about it, talked to Karen about it, gave it a

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Obama's partisan bridge

By **MARK SCHOEFF JR.**

WASHINGTON - Partisan antipathy has become so deeply engrained in Washington that one of the factors holding the capital together is the health and professional ambition of Supreme Court Justice Anthony Kennedy.

In a town riven over just about any bill or nomination that tries to make its way through Congress, the recent Senate confirmation of Elena Kagan as one of Kennedy's colleagues on the court was remarkably smooth.

Nonetheless, she garnered the fewest number of "yes" votes of any justice in recent memory. Part of her success stemmed from the fact that she hadn't



"The failure of the administration to be able to bring about economic recovery beyond 9.5% unemployment is really sort of a disaster."

- **U.S. SEN. DICK LUGAR**, *in saying he will seek a 7th term*



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done or said much of anything over the course of her career in law, academia and politics to offend anyone. More importantly, Kagan was replacing Justice John Paul Stevens, so she wasn't likely to upset the 5-4 split on the bench that has given the court a slight conservative majority. In fact, all of the recent court appointments – Chief Justice John Roberts Jr. and Justices Samuel Alito Jr. and Sonia Sotomayor – have taken the place of judges who shared their political leanings.

If Kennedy were to depart, the 5-4 balance would be put into play, generating an even more fierce level of partisan warfare with the highest imaginable stakes.

Luckily for President Barack Obama, this scenario probably won't play out. Kennedy is not likely to retire under a Democratic president. In fact, he may continue to serve for another 20 years.

But the Kagan confirmation did highlight the fact that there is an ample opportunity for Obama to follow through on his campaign pledge of ushering in a post-partisan Washington. She drew support from several Republicans who can work with Obama, if he's willing to reach out. So far, he's failed to connect with the GOP. Sure, Obama has hosted Republicans in numerous meetings at the White House and traveled to Capitol Hill to talk to their House and Senate caucuses.

The question is whether he's truly listened to the GOP and tried to make the party a genuine partner in the policy process. The evidence suggests that he hasn't.

The White House has been content so far to achieve victories on enormous legislation, such as health care and financial reform, with only a handful of Republican votes. It's true that the GOP hasn't been inclined to help the president much.

But it's hard to imagine that on matters as far-reaching as health care and financial reform that Obama

couldn't have brought more Republicans along if he was really determined to do so.

The trajectory of his tenure in office, not to mention U.S. governance, depends on Obama's exerting the kind of leadership that only a president can muster in bringing the parties together. The depth of the partisan split on Capitol Hill was demonstrated in two recent events.

In late June, the Senate Banking Committee and the House Financial Services Committee held a rare open conference negotiation on financial reform legislation. Democrats and Republicans sat down together for two weeks to hammer out a final bill that eventually totaled 2,300 pages. The Democratic chairs of the committees, Sen. Christopher Dodd, D-Conn., and Rep. Barney Frank, D-Mass., were rightly proud of successfully conducting a transparent conference in which members of both parties could have their say.

But, of course, the final bill reflected Democratic priorities because the outcome was assured by their majorities. The same dynamic occurred in health care. Republicans offered amendments during committee deliberations that were consistently voted down.

Republican frustration

boiled over on the final day of the Wall Street bill conference. Sen. Bob Corker, R-Tenn., lashed out at Mr. Dodd's assertion that some in the GOP were "ideologically opposed" to financial reform.

"That is absolutely disingenuous...(it) is categorically, absolutely untrue," said Corker, who had spent weeks negotiating a Senate bill with Dodd in the spring.

The troubling dimension of this tense exchange is that Dodd and Corker are two of the most reasonable people in the Senate.

In a recent Appropriations Committee hearing, more thoughtful senators voiced frustration with party-line votes.



"The Republican Party will vote 'no' on any bill that spends money," Sen. Dianne Feinstein, D-Calif., said when noting that GOP members of the committee agreed with many individual appropriations items but voted against the overall bill.

Sen. Judd Gregg, R-N.H., said Republicans were voting in bloc as a way of opposing an overall appropriation level that was \$6 billion higher than they wanted. "There is no way to express our concern about that than to vote 'no' on the underlying bill," Gregg said.

Sen. Lamar Alexander, R-Tenn., said: "Our motives deserve respect as well."

Corker, the Republicans who voted for Kagan - Gregg, Sens. Richard Lugar, Susan Collins (R-Maine), Olympia Snowe (R-Maine), Lindsey Graham (R-S.C.) - and Sen. Scott Brown (R-Mass.) give Obama an ample number of GOP senators with whom to form a foundation of bipartisanship.

If Obama starts down that road, he likely will find other members of the GOP eager to join because voters want to see Washington work. But it will take genuine outreach by Obama, who has to use the power and influence of his office to make party comity a reality. ❖

Coats, from page 1

lot of prayer, and said 'I honestly think we've got a real shot at taking back the House and I'm in leadership and I decided I'm not going to do it.'"

When Pence didn't take the bait, Coryn told Coats, "We have an outside shot to take the Senate, but there's no chance if we can't win in Indiana. And you give us the best chance."

How about it, Dan?

"Marcia and I talked about it and I came back very shortly and said, 'I'll do it.' I knew I would have a terrific financial disadvantage. But Hoosiers deserve a clear choice and I represent that choice."

Thirteen days later, the decision looked prescient. Bayh dropped the biggest bombshell in Hoosier political history when he took a pass on a third term, despite President Obama's six-month effort to convince him otherwise. "No one - not one person - gave me any inkling that Evan wasn't going to run," Coats said. "People very close to him - both politically and financially - told me they didn't have a clue."

On the morning of Feb. 15, political operative Ann Hathaway dialed him up: there was a story that Bayh would retire. "I said, 'Ann, welcome to the age of bloggers. This stuff is all over all the time. If you've got something serious, call me back.'"

She did 20 minutes later. "It's true," Hathaway said. "He's called a news conference and he's going to announce his retirement."

After a long pause, Coats finally said, "I can't believe it."

Unfinished business

The bookend to this moment occurred in late 1998. Coats

stopped by the NUVO Newsweekly offices in Broad Ripple for a final chat. He had backed the concept of term limits. After eight years in the House and 10 years in the Senate, he wanted to move on. He was tired of the constant need to raise money and the nastiness of the process that was careening toward impeachment of President Clinton. And there was the senator's son - Evan Bayh - waiting in the wings to reclaim the Senate seat Quayle took from them in 1980.

After our conversation, Coats walked out the door, only to return. "I could have beat Evan Bayh," he said before walking into history. Coats would come within an eyelash of becoming President George W. Bush's defense secretary. It would have put him in the crosshairs of history as the Sept. 11 attacks were just 10 months over the horizon. Instead, he became an ambassador to Germany.

Asked if his return in 2010 was "unfinished business," Coats acknowledged, "To be candid with you, a little bit."

"I had committed to term limits. I wanted to honor that commitment," he said. "But I did feel bad that in a sense I opened the door and turned a Republican seat into a Democratic seat."

Now Coryn tried to talk Pence into the run, and Secretary of State Todd Rokita opted to run in the 4th CD.

"We don't have anybody who has run statewide and who can raise the money," Coryn said "And we haven't even asked you to do it because you've been there, done that, but is there any possibility?"

Coats said his primary motivation was President Obama and the complicated relationship he'd had with Bayh. There was the veepstakes flirtation after Bayh backed Hillary Clinton in the 2008 primaries. Then Bayh, "attached himself to Obama in the campaign, and then watching the Obama agenda roll out and watching Evan support that agenda, I believed Hoosiers deserved a choice," Coats



Dan Coats talks to a supporter at Howard County GOP headquarters on Aug. 3. (HPI Photo by Brian A. Howey)



said.

Coats also became convinced that members of the GOP field early this year - John Hostettler, Marlin Stutzman, Richard Behney and Don Banks Jr. - were not ready for senatorial primetime, "From that standpoint, when I looked at the field, no one was making any move," Coats said. "Clearly the indication was they either weren't raising money or they weren't able to raise money and that people would have written it off. It was going to be an automatic. They would never have reached a level of competitiveness you have to have. It takes resources to do that. Evan could have just buried them before they even got started."

Eyes wide open

As Coats pondered, he was warned that things had changed since he ran in 1992. "I had former colleagues that called and said, 'This is an entirely different ball game. You sure you want to do this?' We went in with eyes wide open."

Had the decision come in a normal way with months of planning, Coats would have done things differently. "It was the last thing I was considering," Coats said. "I would have taken a number of steps earlier if I thought I was getting back in preparation for that. We have this second home in North Carolina and I certainly would have sold that."

And it has been eye-opening. Back in 1992, the Internet was still in diapers. The Coats campaign kept the fax machines warm. When he left office, newspapers and TV stations were just turning to the Internet. Today, Hoosier newspaper and TV newsrooms are cutting back and blogs are trying to fill the void.

"The most major change is the Internet," he said. "The ways and means of communication and the access to information is so extraordinary. There's no filter. You can take anything you want to say, make any allegation and you can make it anonymously. There's no editor you can call and say, 'Hey, wait a minute.' Or 'here's my story.' There's no TV station manager you can call and say, 'Hey, I should have equal time on this.'

"You've just got to throw your own blog up, so you can say anything at any time and not have accountability for it. That is a huge difference."

Indications of the change came almost immediately. Earlier in the day on Feb. 2, Bayh told a group of visitors in his Senate office that he had to "go deal with a German ambassador." After HPI broke the news that night that

Coats would run, HPI called Indiana Democratic Chairman Dan Parker for a comment. He responded by reciting Coats' ties to Bank of America as a lobbyist.

"I can tell you the difference between the former campaign (1992) and this one is people like this guy," Coats said, pointing to Pete Seat, his communications director who was at the wheel of his Buick SUV. "You give him a piece of news, he gets on the Internet and he's all over it. You type in 'lobbying disclosure Act' and 'Coats' and boom! That information is there. It is revolutionary. So when Parker heard I was doing this, boom, he went to the Internet and I think he had that stuff in an hour."

Another sea change is the "I gotcha" dynamic. "It's not what you stand for, who you are, what you did, or your resume," Coats said. "It's 'we're going to catch you making a mistake. And we're going to blast that and that's going to be our campaign.'"

Within days of announcing his candidacy, the DCCC had posted a YouTube video showing Coats addressing the North Carolina delegation at the 2008 Republican National Convention. "Don't tell the good people of Indiana there might be a better place" to retire and "be a North Carolinian."

Any candidate playing at the congressional level has to be aware of the "Macaca" moment, as Sen. George Allen learned in 2006. "Everywhere I go there is a camera on me recording," Coats said. "It used to be you'd call a press conference, the press would show up and that was your message. Today it's

what door did you enter? What restaurant did you eat at? I've had people outside my house. I've had people checking to see when I come home. I've had people posing as journalists at a Republican event."

Just minutes away from the Howard County Republican headquarters, did Coats expect an infiltrator there? "I just assume that everywhere I go. It's a reflection of this American Idol reality TV. It's a reality TV thing. There are just very few private places anymore or anything you can say privately that won't be recorded. They turn it into an 'I gotcha.'"

Health care driving the campaign

At GOP headquarters, the only non-partisans appeared to be HPI, the Kokomo Tribune and the Kokomo Perspective. There were close to 50 supporters at the noontime gig eating pizza. The crowd was attentive and fairly stoked up. "I hope you're as excited about this upcoming election as I am," a relaxed Coats said. "Hoosiers



Coats heard concerns from St. Francis Hospital nuns on whether federal money would be used for abortion. "I could not support legislation that does not support life. We have to respect that view," Coats said. (HPI Photo by Brian A. Howey)



haven't had a clear choice like they will in the next two elections. I need to lead the country into fiscal security." "If we get people to the polls, we'll have a significant victory," Coats said. He told HPI that his internal numbers mirror those of Rasmussen Reports, which had him leading 50 to 29 percent on Tuesday.

This group of Republicans was ready for the warpath. One woman insisted, "I urge you to start out by repealing all the major legislation from this session. Obviously Obama will veto and it will be sustained. But take the vote."

Earlier in the day, Coats told a health care roundtable at St. Francis Hospital in Southport that he favored repealing the health reforms President Obama signed into law last March. But he said then and in Kokomo, "We have to present a clear alternative."

Coats has been holding health roundtables around the state. At St. Francis, he characterized the reforms as "adding a lot of concern, a lot of doubt" into the moribund American economy. "They didn't listen to what the people are saying before they made decisions in Washington," Coats said.

Asked why Republicans didn't act and try to reform health care along the "free market" principles that Gov. Mitch Daniels has been expressing this year, Coats explained, "Well, it's never too late to act on good ideas. At a time when we were having a national debate over the future of health care, we had an administration who said, 'We're going to do it our way. We control the Congress. We control the executive branch.' Despite all the rhetoric about getting together and finding something we could move forward together on, and after New Jersey and Massachusetts, instead of saying, 'We need to reach out; the people have spoken,' they essentially said, 'My plan or no plan.' "That is against the will of the American people," Coats said.

On that point, Coats can cite plenty of statistical evidence to back it up. Rasmussen Reports had the favor/against numbers at 38/55 percent on Monday. CBS News had it 36/49 percent on July 12. Pew Research had it 35/47 percent on July 13. A July 12 Rasmussen Reports Poll in Indiana showed 59 percent favor repeal of the bill that Ellsworth supported as a member of the House, while 35 percent oppose repeal.

At St. Francis, Coats was asked by a doctor if health care should be extended to all Americans. "It is my

understanding that health care is available for Americans," Coats said. "It's a question of who pays. Someone has to come forward with a plan that is fair and cost effective."

It was at this roundtable that Coats heard statistics suggesting tough times ahead for the health care system that is supposed to expand to include 30 million new people. He was told that of the recent Indiana University Medical School graduates, only 24 had chosen family medicine. Medical students routinely accrue \$150,000 or more in debt.

"I hear this at every stop," Coats said. "Reimbursements are driving people away from primary care." The best and brightest can get an MBA in two years and go on to make millions while medical students face eight to 10 years of additional schooling. "Just from an economic standpoint, you're going to opt for the economic realities," he said. "The quality of health care will go down. The numbers are overwhelming the system."

Lobbyist in chief

Ellsworth and Indiana Democrats hope to turn the debate away from health care and to Coats' role as a lobbyist. In Kokomo, Coats told the Republicans that his opponents had hoped to tie him to BP. "Look, folks, the only person I know at BP is the gas station attendant on the corner."

Chairman Parker told HPI to expect an onslaught of anti-Coats ads in October, pushing the lobbyist image. A web video released in July tied Coats to Bank of America and Cooper Industries. How will he respond?

"Couple of ways," Coats began, before ticking off his characteristic points: "No. 1,

as I get across the state people recognize the dire straits we are in fiscally. They want serious people talking about serious issues and its impact on Hoosiers and sensible solutions. Secondly, they have so exaggerated, so over-stated the work that I did; it started from day one. They started right away. They unloaded everything they have on me. It's so factually wrong the way they've misrepresented me. No. 3, it's much ado about nothing."

And therein lies the crux of the election. With Ellsworth down 20 percent, he must defend his health care vote and tie the lobbying millstone around the Republican's neck while running into a stiff anti-Democratic, anti-incumbent dynamic if not a 1994 style tsunami.

The undefeated Dan Coats likes those odds. ❖



Republican Senate nominee Dan Coats meets with Hoosier Heartland Corridor mayors and economic development officials at Peru City Hall. (HPI Photo by Brian A. Howey)



HPI Interview: Coats discusses jobs, Obama, line item veto

By **BRIAN A. HOWEY**

KOKOMO - Enroute from Southport to Kokomo, HPI sat down with Republican U.S. Senate nominee Dan Coats to discuss the issues that will determine whether he can regain the seat he held for a decade.

HPI: Where did you believe Sen. Bayh was vulnerable when you entered the race? Support of the President?

Coats: Yes, support of the President. I saw Evan either complicit in that support voluntarily, or conflicted but nevertheless supportive. He wanted to be vice president. first under Hillary and then under Barack and when he wasn't, he was so committed to him probably for that reason and he wanted to be supportive of a Democrat. I said, "This is not Indiana. There was Obama mania going on here. And their agenda which was what Evan was supporting was not representative of Indiana." I ran statewide twice and I said, "This cannot be Indiana." It deserves a clear choice and I think I'm the one to give them a clear choice."

HPI: Obama said he was going to do much of what he has done on the campaign trail.

Coats: No one was listening then. They were caught up in the euphoria. It was almost like a messianic euphoria. They were totally ignoring his agenda. It was hope and change.

HPI: The agenda was there. I went to some of these rallies where there were 20,000 to 25,000 people and it was extraordinary. Your criticism comes on things that weren't necessarily part of the Obama agenda: the collapse of Wall Street, the auto collapse. Add in two wars that were off the books. There was an array of problems we haven't seen since the Great Depression. Does the President deserve some slack for having to walk through a minefield?

Coats: Look, every president inherits difficult situations. George Bush ended up with 911. It totally changed the nature of his presidency and what he wanted to accomplish. I talked to him about the whole compassionate conservative agenda and education. All of those had to be put aside. When you run for president, you have to accept what comes with the office. You can't go around complaining, "This is what I inherited." You are elected to bring

solutions to problems. Bush never went around saying, "I inherited this. It's now become my No. 1 priority. I've got to keep America safe from terrorism and that wasn't what I wanted to do." The difference with Barack Obama is that he inherited a distressed economy and said, "Whoa, that's not what I want to do." It's like getting the economy back on track took a secondary role to his stated agenda. "I'm going to revolutionize health care, climate control. I'm going to remake Washington and transform this country." His first role I saw was for him to rescue the economic situation. It made practical sense. It made political sense for the President to gather all his people around him and say, "I hadn't counted on this. We've got to fix this economy first, but if we do, and we will, we'll have six more years

and the support of the American people. But no, I'm going to do what I can, but I'm pushing forward with this." He had New Jersey, Virginia, Massachusetts, and he said, "I don't care what people are saying. I've got the 60 votes in the Senate, I've got control in the House and we're going to ram through my agenda. We'll fix the economy later." People are suffering out here without jobs and the economy is stagnant and now he's finally getting around to talking about Republican things. We've got to deal with this deficit problem. He's added trillions of dollars of new spending and raised debt to incredible levels and now we've got to do something about it.

HPI: I've been using the phrase "born-again deficit hawks." I grew up in

Peru, Ind., worked under Betty Rendel and some of the Dick Roudebush and Bud Hillis campaigns as a teenager. And I give Pence credit for opposing the Medicare prescription drug program because it was a major entitlement expansion. But I believe the Republican Party completely lost its way on spending.

Coats: I couldn't agree more.

HPI: There was that and two wars that weren't even on the books and now the message is we have to do something about the deficit. How do you reconcile that?

Coats: I agree with you. I was as frustrated as you were. The Republican Party lost its moorings on fiscal discipline. Bush wasn't vetoing bills. Republicans were voting for earmarks. The spending was starting to run out of control and Republicans weren't stepping up. They paid a huge price for that in 2006 and 2008. What's happened is Republicans have gone back to their roots. I understand people's frustrations. But no one anticipated that someone would come along and double down on this. I can double or triple it. The size of the deficit now is totally out of con-





trol and I think is irresponsible. To impose new mandatory spending and run up the debt clock to the extent that they have is beyond anybody's comprehension that they've done so much, so fast to slow the return to fiscal health.

HPI: Do you want to see all the Bush tax cuts extended?

Coats: I would like for them to be extended. You could argue there needs to be tax reform and I will support that. It's one of the first things I will do. It's part of any sound fiscal plan for the future to address the deficit spending and the debt.

HPI: Extending tax breaks for the wealthy will simply exacerbate the deficit if you listen to people like Alan Greenspan and David Stockman.

Coats: To get to the heart of your question, this is not the time to raise taxes. I don't think anybody can say this is the time to raise taxes with the way the economy is. There is clear evidence that it stifles jobs, stifles growth, and is not healthy. We can take up this other question of how we restructure our tax system once we get our economy back into shape.

HPI: Is the bipartisan debt commission a solution?

Coats: I think it's political cover. It's the responsibility of Congress, the elected representatives, to come up with plans to deal with this without pushing this thing to a commission. If that's the only way we can solve problems, the idea of representative government is skewed. It has been successful before in two instances: dealing with Social Security changes in 1984 and with base closings. Congress had proved it was incapable of dealing with those. If Congress is saying, "We're incapable of dealing with this," then there's got to be some real teeth into this. It's got to have a provision in there for an up or down vote.

HPI: If the Bush tax cuts come in, what gets cut? At the Republican debate, there seemed to be a consensus that everything is on the board except defense spending.

Coats: I didn't say that. Everything is on the board. When it comes to defense, what I said is there have been misallocations of funds. I didn't talk about top line cuts at all. What needs to happen at defense is a continued transformation from a Cold War defense structure to one of terrorist/failed state/asymmetric threats. I agree with (Secretary) Gates. There is no need to fund legacy systems designed to address other issues that are no longer applicable. If defense comes in and says, "We need more money because we're not going to give up anything here,"

we've got a benefits problem or a weapons problem.

HPI: What about the Rolls-Royce situation where Gates wants to end the F-30 and there are thousands of Indiana jobs on the line?

Coats: What we've seen is when they are sole-sourced contracts, when they look good on paper and when they are initiated, costs overruns and the price never look as good as what they said.

HPI: Any stance on what programs you would cut?
Coats: Yeah. No. 1, I want to reinstate the line item veto, even though it will go to a Democratic president.

HPI: You got that through back in the 1990s, and then the Supreme Court overturned it, right? So how would it work this time?

Coats: Different Supreme Court.

HPI: Is that something you will push if elected?

Coats: Exactly. It's one of the first things I'm going to cue up. The big thing is I don't think we should have any new spending on any new programs unless it's offset. I don't care how worthy a particular new program is. Take

unemployment insurance. It is impossible to tell me there isn't one program that is duplicative, mismanaged, or full of fraud or waste or is ineffective that you can't cut to provide jobless benefits. They said we can't cut anything, we can't offset anything, even though they pledged they would do it. I'm going to try and lead a fight.

HPI: Would you have voted against the jobless extension unless there was an offset?

Coats: I would have voted for the extension. I think there is a point where people take advantage of that. But I don't think we're at that point. There are five people looking for every job opening. But I would have insisted that it be paid for. Or Democrats explain why there wasn't one piece of spending out there that isn't as important as jobless benefits. I have announced I will not support earmarks. I think there should be a moratorium on earmarks. Each request should go through a

process, not an add-on to a non-relevant bill. I am going to push for a balanced budget constitutional amendment. Otherwise the temptation to fund things overwhelms people.

HPI: What are the changes you would seek compared to the previous law that was struck down?

Coats: I haven't assessed that yet. I want to go back and assess whether I thought the decision was based on the ideological makeup of the court or whether it was based on sound constitutional reasons. We thought we had covered the constitutional basis. So did the Clinton administration. The court found a way, as courts can do. I don't





know how solid the constitutional basis was. I'll have a number of constitutional experts take a look at it and if we need to make adjustments, we'll make adjustments.

HPI: I came to the conclusion we're in a period of climate change, even though the 10,000 years of human existence is a blink in time for a 4 billion year old planet. But we are seeing the glaciers melt and species changes. The robins and gold finches are here in Indiana all year. There is something happening out there. Do you buy any of the scientific conclusions? And if you can't support something like Waxman-Markey, is there anything you could support?

Coats: We need to be sensitive to the role humans may play in terms of climate change. But the question isn't whether the climate is changing or not. The question is what is the degree to which the changes are due to human endeavor as opposed to cyclical changes that have occurred over the eons? I don't want to throw out everything including the kitchen sink and say this is all caused by humans. The second step is, we should not sign a treaty which would obligate the United States unless we have other countries with us. We are one planet. It's all for naught if China and India can't come to an agreement with us. When I heard that China was going to build one coal-fired fossil fuel plant every week for the next 450 weeks, I thought we were talking about shutting down five plants here in the United States and that is going to make a difference? Third part of it is, I think we can take cost-effective steps to make this a better planet. We've done that as a nation. We're a lot greener than the world thinks we are. There are new sewage systems. We've cleaned up our rivers and lakes. We have scrubbers on our coal fired plants that have dramatically reduced nitrous oxide, sulfur dioxide, carbon. We're pursuing alternative resources. I think it has to be economically feasible and not put the United States at an economic disadvantage. What we don't want is companies saying these burdens are such that we are just going to relocate our plants overseas.

HPI: There has to be a leveling of the playing field. It just can't hit rate payers in the Midwest. It has to be a national solution.

Coats: Any bill on carbon emissions written by a guy from Massachusetts and a guy from California, I'm suspicious. As far as Sen. Lugar's bill goes. I think there are provisions that are very sound and very good.

HPI: Democrats have this aversion to contested primaries; believe they are wasting money instead of building name ID and campaigns.

Coats: No. 1, the money I thought we spent wisely. It was reinforcing my views. We engaged everywhere. It sharpens you dramatically. I lost track of the number of debates. You've got to get your act together pretty quick as far as how you articulate your positions. The number of

Republican gatherings, and add all the Tea Party organizations, have got me up and running.

HPI: How big is the Tea Party movement?

Coats: It has been a major factor in getting people engaged and involved who haven't been before. I am happy to say when we came out of the primary we came out with the total support of my opponents and the Tea Party groups and we have involved them in the process. We're on the same page on most of the issues. It's an important factor and a helpful factor.

HPI: The Democrats are going to portray you as lobbyist-in-chief. How will you respond?

Coats: Couple of ways. No. 1, as I get across the state people recognize the dire straits we are in fiscally. They want serious people talking about serious issues and their impact on Hoosiers and sensible solutions. Secondly, they have so exaggerated, so over-stated the work that I did, it started from day one. They unloaded everything they have on me. It's factually wrong the way they've misrepresented me. No. 3, it's much ado about nothing.

HPI: The START treaty. All five of you came out against it during one of the debates.

Coats: That's right. I was concerned about what appeared to be concessions to the Russians by our withdrawal of defensive missile capabilities from Eastern Europe. If we got something back for that, I'm not aware of what it was. There have been efforts to provide alternatives to what we originally proposed. I'm not going to endorse that until I see how it plays out. The biggest threat we face is not so much state control, but proliferation.

HPI: Any issues that you think could impact the final months of the campaign?

Coats: Immigration. It is a volatile issue, not just among states along the board, but here in Indiana. I'm concerned about this. I think this will continue to be an issue, though I don't think there will be legislation. There may be an attempt next year, but it will have to be a comprehensive solution.

HPI: I don't think we can rely on the Supreme Court making decisions to secure our southern border.

Coats: I agree. The reaction shouldn't be that we're going to prevent you from doing it. The reaction should be just what you're saying. The guiding principle is that we are a country of legal immigrants. We are not a country of illegal immigrants. We are either a country of laws or we are not a country of laws. We have to enforce those laws and the first step is securing the borders so we don't have a bigger problem. The second step has to be enforcing legality. Once the public knows we are doing those two things, then we can discuss moving forward. It's futile to believe we're going to come up with one big package that solves the entire problem. ❖



Gov. Daniels hits the campaign trail

By **BRIAN A. HOWEY**

KOKOMO - It had been an intriguing 72 hours before Gov. Mitch Daniels took the stage at the Highland Park band shell here on a steamy Wednesday night. With a Newsweek reporter in tow, Daniels was on the stump for his first political priority: electing a Republican Indiana House.



With him stood Kokomo Councilman Mike Karickhoff, one of about 25 challengers Daniels recruited in order to overcome a 52-48 Democratic majority in the

House that had stomped most of the governor's reform agenda.

"A reporter asked me what keeps me up at night," Daniels told a crowd of about 250 people. "I sleep very well," he said, but instead of counting sheep, "I just count all of the states I'm not governor."

On Sunday, Daniels appeared on Fox News Sunday and told host Chris Wallace that he is "open to the idea" of a presidential run. But, he said, "My attention is entirely fixed on the challenges -- and I think opportunities -- facing Indiana." Asked about what conditions might prompt him into the race, Daniels said, "Chris, you live in a world of secret agendas and code words, but not all of us operate that way." Republicans like Mitt Romney, Newt Gingrich or Mike Huckabee must effectively address the nation's fiscal health, with the economy now careening toward that dreaded "W" recession. "I'm hoping we will have people step forward and really hit those things head on," he said. "Maybe I'll be one of them, but there are lot of ways to contribute to that debate."

Daniels also took a shot at the Obama administration when he was asked if he supported the stimulus. Daniels responded, "Really don't. It amounts at this point in time to asking the citizens of responsible states like ours to subsidize those places who have been more reckless. It's probably not going to help the economy. It's this notion sort of a trickle-down government. You pour a few more bajillion dollars in the top of the funnel and maybe a little demand and a few private-sector jobs will fall out the bottom. It's really not the way to do it."

In the ensuing 48 hours, Daniels found himself in an uncharacteristic brush fire, as Indiana reporters dusted off a letter from last February when Daniels joined 46 other

governors asking Congress to extend enhanced federal Medicaid match rates. His staff said he signed the letter as a "team player." He told a reporter, "I have made the same point over and over, that borrowing money from the Chinese and spending it on government is not effective. My clear recollection is saying I'd only sign a letter that says don't add to the debt, and I thought that letter made it plain."

Democrats cried foul, saying he flip-flopped, noting that the \$1.2 billion in stimulus funding had propped up the Indiana budget on Medicaid and education funding. "He used the stimulus money to prop up the budget, so it's basically political doublespeak," State Rep. Phil GiaQuinta told the Fort Wayne Journal Gazette. "If his heart isn't into it then maybe he shouldn't take the money."

Another twist came when Anne Murphy, secretary of the Indiana Family and Social Services Administration, sent a letter to the federal Centers for Medicare and Medicaid Services saying that the governor's Healthy Indiana Plan should be incorporated into the health care reforms. It contrasted with Daniels emphatic criticism of the health reforms, prompting him to freeze enrollment into HIP shortly after President Obama signed the reforms into law.

What became clear is that presidential politics - with a potential candidate playing to a national audience



Gov. Mitch Daniels poses for a photo with Kokomo Councilman Mike Karickhoff (left) and his daughter and son-in-law Wednesday evening. The rally raised about \$5,000 for Karickhoff's race against State Rep. Ron Herrell. (HPI Photo by Brian A. Howey)

- can complicate the task of governing back home.

The governor continues to send mixed signals. On Wednesday he met with about 400 people in Muncie, did a ribbon cutting on a Major Moves funded road in Fort Wayne, heralded 350 new jobs in Huntington from an Ohio company moving in, met with Hoosier Conservation Corps



workers, and then attended a graduation of inmates in a faith-based program at the Miami Correctional Facility.

He told the Kokomo audience that the day amplifies what "sets Indiana apart. I think we've gained on these goals."

But then he added, "There is so much to do when I'm back in private life."

He told the press in Muncie, "You can count on me spending all my time on Indiana matters for quite some time. He added that he "very well may not" pursue the GOP nomination for president, but said he was "increasingly concerned about the direction of the country." So this is a presidential flirtation. And it's a three-legged stool. The first leg is to help candidates like Karickhoff defeat Democrats to retake a majority and form a new

nucleus of reform-minded Republicans in the House. Howey Politics Indiana has 12 seats either projected as a Republican takeover or are in tossup, and 11 are held by Democrats. To achieve these goals, "We really have to have people with new ideas," Daniels said. "That's why I asked Mike Karickhoff to run."

The second step begins in January if Daniels achieves his majority. He is then poised to push for education and local government reforms. It will come during an excruciatingly tough budget year as the state's reserves drain away.

And lastly, next Spring after the legislature goes home, if the jobs are still sparse, the economy drifts and no Republican reaches the cone of inevitability, a presidential campaign would be built. ❖

Newhouse memo says Ellsworth spent \$700k, not seeing traction

By **BRIAN A. HOWEY**

INDIANAPOLIS - Republican pollster Neil Newhouse is describing Brad Ellsworth's Senate campaign as "dead in the water."

The Public Opinion Strategies pollster sent a memo to the Dan Coats campaign after the latest Rasmussen Reports poll numbers came out with new numbers on Tuesday (500 likely, Aug. 4-7, +/-4.5%) in Indiana showing Coats with a commanding 50-29 percent lead over Ellsworth. It's Ellsworth's poorest showing to date. In a Polling Company survey conducted on behalf of Susan B. Anthony List, Coats had a 50-35 percent lead over Ellsworth.

"This is the seventh consecutive month that Rasmussen has tested the US Senate ballot between former Senator Dan Coats and Congressman Brad Ellsworth," Newhouse said in the memo. "After spending nearly \$700,000 on TV ads, Ellsworth is dead in the water. Congressman Ellsworth's campaign sunk nearly \$700,000 into TV ads starting last month in an effort to define the incumbent Congressman as a political outsider and try to frame the race on his terms. The result? Coats' ballot margin stayed exactly the same - at 21-points (51%-30% in July and 50%-29% in August). Just

as importantly, Ellsworth's image has taken a hit. Congressman Ellsworth's image slipped from 42% favorable -29% unfavorable in July to 39%-39% on the current Rasmussen poll."

Newhouse added, Ellsworth "sunk a huge percent of his cash-on-hand in an effort to jumpstart his campaign and get into contention with Dan Coats, but to no avail. It's apparent that the weight of the negative and anti-Democrat political environment is weighing down his campaign just as it did GOP campaigns in 2006 and 2008. Ellsworth is simply not getting traction in this race."

Ellsworth and Coats waded into the Social Security reform issue this week. In a story by the Evansville Courier & Press reporter Eric Bradner, Coats likes the proposal by Republican Rep. Paul Ryan to "sunset" the system in which

the current work force pays for retirees' benefits and replace it with individual, government-guaranteed accounts. "It's one of the most interesting proposals out there," Coats said.

Ellsworth, calls that privatization and says it's an idea he will not support. "I believe private accounts would expose seniors' financial security to the volatility of Wall Street, and I don't think that's good for Indiana's seniors," Ellsworth told Bradner. "I am confident we can put Social Security on solid



U.S. Rep. Brad Ellsworth has spent \$700,000 on TV ads but languishes in the polls. (HPI Photo by Steve Dickerson)



footing without endangering the benefits American seniors have been counting on throughout their lives. However, changes to this program must be carefully considered."

The Horse Race has had this race in the "Leans Coats" category since the primary. Given we have now seen two polls showing Coats at 50 percent and leading Ellsworth in the 15 to 21 percent range, we are moving the race to "Likely Coats." Part of our reasoning is the potential for a Republican wave to develop, though Minority Leader John Boehner's pathetic performance on NBC's Meet the Press (potentially offset by Ways & Means Chairman Charlie Rangel's even more pathetic performance on Tuesday) reveals that both parties could snatch defeat from the jaws of victory. But at this point, there is little doubt that Coats has a commanding lead. **Horse Race Status:** Likely Coats

Bellwether poll on Obama, Daniels

A Bellwether Research Poll shows that likely Hoosier voters are assigning the blame for a bad economy and few jobs on President Obama, and not Gov. Mitch Daniels (Howey Politics Indiana). The poll (July 20-25, 800 likely, +/-3.5%), shows the national right/wrong track numbers at 30/57 percent, while the Indiana numbers were inversed at 49/32 percent. President Obama's approve/disapprove numbers stood at 44/50 percent, compared to 65/28 percent for Gov. Mitch Daniels. "Voters are making a clear distinction between President Obama and the federal government and Gov. Daniels," said pollster Christine L. Matthews, who polls for Gov. Daniels.

As for interest in the November election, 47 percent rated it "10" on a 1 to 10 scale. Among those affiliated with the Tea Party movement, 65 percent rated it a "10" as well as 61 percent of 2008 voters for presidential candidate John McCain. Ominously for Democrats, only 36 percent of 2008 Obama voters rated it a "10" posing the same dilemma the party faced in 1994 when it lost Congress for the first time in 40 years. Base vote suppression is a very real dilemma for Democrats. That dynamic is in play on a generic Indiana General Assembly question. Republicans held a 45-31 percent lead over Democrats, but among likeliest voters (those participating in three out of the last four elections) the gap stood at 54-26 percent, and it was 35-24 percent favoring Republicans among independent voters. Among Tea Party affiliates, it stood at 72-8 percent favoring Republicans. Daniels support stands out in several aspects. His approve/disapprove numbers among African-American voters stood at 69/18 percent, among Obama voters at 56/36 percent and among independents at 63/28 percent. "There isn't a Republican in a state or in Congress who has those kinds of numbers among African-Americans," said Matthews, a native of Kokomo who is now based in Washington. Obama's approve/disapprove among independent voters stood at 43/49 percent.

2nd CD: Anthony Poll has Donnelly up 15

A Susan B. Anthony List poll conducted by the Polling Company had U.S. Rep. Joe Donnelly leading State Rep. Jackie Walorski 52-35 percent. On Tuesday, the Anthony group - an anti-abortion organization - brought its bus with headshots of Donnelly and Ellsworth emblazoned on its side into the 2nd CD to campaign against Donnelly. It claimed that Donnelly "sold out" on the health reform vote. Marilyn Musgrave, a former Republican U.S. representative from Colorado, is director of the 23-city "Votes Have Consequences" bus tour. "We know he had the opportunity with the pro-life Democrats to stop taxpayer funded abortion in its tracks," she told the Elkhart Truth. "But he did not." Donnelly responded by saying, "I've been pro-life my entire life. Since coming to Congress, I have been a tireless advocate for the unborn, and my voting record reflects this."

On Monday, U.S. Rep. Mike Pence was in Plymouth campaigning for Walorski and tried to put the race into perspective. "I don't know if we'll retire Nancy Pelosi unless we elect Jackie Walorski," Pence said after a luncheon fundraiser for Walorski at Christos Banquet Center (South Bend Tribune). "This is really one of the most important elections in the country. Jackie Walorski brings a fresh, energetic conservatism to this campaign, and I know I speak on behalf of Republican leadership — Republicans across the country — when I say we believe Jackie Walorski can win," Pence said. "The American people want us to focus on jobs, they want us to focus on getting spending under control and they want us to repeal this government takeover of health care. It will take a Republican majority in Washington, D.C., to do that, and it will take Jackie Walorski in Washington, D.C., for us to achieve a Republican majority." Donnelly's camp responded Monday by reiterating what the congressman said in two televised campaign advertisements in recent weeks. "The fact is that state Rep. Walorski supports national economic policies that would expand free trade and privatize Social Security," Donnelly's campaign manager, Mike Schmuhl, wrote in an e-mail. "Now she's bringing in other national politicians who believe the same things." **Horse Race Status:** Leans Donnelly

3rd CD: Stutzman on Creation Dinner

In 2009, State Sen. Marlin Stutzman co-hosted a dinner with State Rep. Cindy Noe (R-87) at the annual Creation Evidence Expo, an Indianapolis organization that seeks to "make current scientific evidence that supports the conclusion that God created man" (Fort Wayne Reader). Stutzman says that he and Noe (who is on the Education Committee in the Indiana House) were asked by the group to host the dinner, to which many legislators were invited. "The information they had there was good information," he says. "We had some very good conversations with the folks at the Expo, just getting to know them, over the last



couple of years. They wanted to raise awareness of their issue, and wanted to meet as many folks who are willing to support their organization and also make those who are in the legislature aware of their issue as well." **Horse Race Status:** Leans Stutzman

9th CD: Young assails Hill on spending

9th CD Republican Todd Young assailed U.S. Rep. Baron Hill for backing an emergency \$26 billion bill passed by the House and signed by President Obama on Tuesday that would save thousands of teacher jobs. Young said, "House Speaker Nancy Pelosi is once again pressuring members like Baron Hill to vote for another multi-billion dollar spending bill. It's easy to see why Nancy Pelosi wants this \$26 billion spending bill. Like Governor Mitch Daniels said on 'Fox News Sunday,' this bill helps states who have avoided tough choices and hurts states, like Indiana, who have governed and managed responsibly. Why should Hoosiers pay to bail out California?" Young added, "Baron Hill has been a reliable vote for the liberal policies of Barack Obama and Nancy Pelosi." **Horse Race Status:** Tossup

HD21: Wesco, Fish differ on immigration

The major party candidates running for state representative District 21 are on opposite sides when it comes to extending Arizona's immigration law to Indiana (Elkhart Truth). Democrat Dwight Fish said Tuesday he wants to focus on jobs, growth and education, not immigration issues, in the General Assembly. Republican Timothy Wesco said Thursday in a written release that he supports Arizona's controversial law. "Our states and local governments are feeling the consequences of pathetic federal inaction," Wesco said. "It is time for bold laws on the part of our state legislatures across this nation to give our local communities the tools they need to preserve law and order and to stand up to Washington, D.C., for not enforcing its own laws. I support Arizona and its immigration law and will work for similar legislation in Indiana." Fish, however, wants to see what happens with the Arizona law when it gets to the Supreme Court. "While it is important to enforce the laws, state and federal, the courts need to decide again if states or the federal government have the power to legislate in this area," he said. "My campaign is focused on generating good-paying jobs, providing enough money for public schools, and enacting growth-focused tax cuts. I hope we can stick to these priorities and get results," Fish said. **Horse Race Status:** Leans Wesco

HD30: Chrysler, GM bankruptcy issue

A critical element in the Councilman Mike Karickhoff's challenge to State Rep. Ron Herrell is the impact of Indiana

Treasurer Richard Mourdock's attempt to derail the Chrysler-Fiat merger. Democrats are certain to try and tie Karickhoff to Mourdock.

But that strategy might have taken a blow on Wednesday when Howard County officials said they expected a decline in tax revenues by \$20 million, mostly due to a proposed drop in the personal property assessment for Chrysler and General Motors.

"Of the total loss in assessed value from the prior tax year, \$698 million, or 95 percent, can be attributed directly to reduced personal-property valuations that are self-reported by Chrysler and GM," Howard County Assessor Jamie Shepherd said (Kokomo Tribune). Shepherd said the two companies are basing the personal-property assessment on that of the Howard County facilities after the 2009 bankruptcy proceedings, in which Chrysler Group LLC purchased the assets of Old Carco and General Motors purchased Delphi's manufacturing facilities in Kokomo.

Shepherd said the tax returns would cause huge budget deficits for local units of government and will result in drastic cuts in government services. They said the end result would be higher tax bills for other county taxpayers.

Howard County Republican Chairman Craig Dunn told HPI on Wednesday, "What effect do you get by setting 200 years of bankruptcy law aside and now that bankruptcy will take \$20 million away? Maybe Richard Mourdock was on to something."

Noting that Karickhoff and his volunteers have either knocked or called 7,000 households, Dunn assessed the challenger campaign by saying, "In a perfect vacuum, I believe Mike would beat Herrell handily, but there's a huge wave coming, bigger than '94."

Karickhoff campaign manager Mike Ridenour also senses a shift, telling HPI that labor union officials are quietly beginning to seek out Karickhoff, inquiring about his positions on specific issues.

Dunn went on the offensive this week, blasting Herrell for sending out four franked mailers. "Once again Ron Herrell has taken money from funds that could be used for education, job creation and public welfare and squandered them on a self-serving political mailing," said Dunn (Kokomo Perspective). "Every dollar that Herrell spends of taxpayer money is one less dollar for our children."

"As a resident of House District 30 and a concerned citizen, I demand that Ron Herrell reimburse the taxpayers the cost of his political mailing," said Dunn. "The thousands of dollars spent on the mailing can serve a far better purpose than helping him get reelected." Dunn added that Herrell's mailings could have provided 11,000 school lunches, textbook fees for 211 students, 70 weeks of one individuals' unemployment benefits or 7,037 gallons of school bus fuel. **Horse Race Status:** Leans Karickhoff



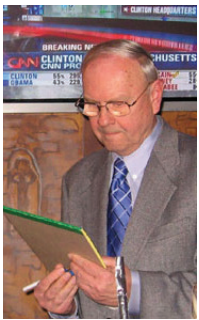
Gauging the fallout from Bayh's retirement

By JACK COLWELL

SOUTH BEND - Let's ponder how Sen. Evan Bayh, winner by well over a half million votes as Democratic ticket leader when last he ran, will affect the election in Indiana this time.

Q. Wait. Bayh isn't running. Right? So, how can he affect the election if he's not even on the ballot?

A. That's just it. Bayh will affect the outcome by NOT being on the ballot. His departure turns two safe Democratic seats - his own in the Senate and one in the House - into seats leaning Republican. And his absence as a ticket leader able to buy omnipresent and effective TV messages makes re-election tougher for two other Democratic congressmen.



Q. Would Bayh have won if ran again?

A. Yes. Would have been a closer race. But Bayh, long the most popular and best politically organized Democrat in Indiana, with appeal extending to independents and a lot of Republicans, would have won. Having \$13 million before the campaign even got under way would have enabled him to blunt negative attacks aimed at him and his wife, Susan.

Q. So, why didn't Bayh run?

A. He said he was sick of partisan poison and deadlock in the Senate and just didn't want to serve there any longer. He no doubt was sick as well of attacks from both far right and far left as he pursued his moderate course. Nor did he look forward to campaign attacks hitting him and Susan with conflict-of-interest allegations over her lucrative gigs on corporate boards, including health insurer WellPoint's board.

Q. Did he realize he could have won, even with those attacks?

A. Did Chicago Cub players realize in July that they wouldn't be in the World Series? Some things are obvious. Bayh knew former Sen. Dan Coats would be the Republican nominee and that Coats was vulnerable on charges about lobbying in Washington. He knew Coats would come as

close to him in fundraising as the Cubs are to a pennant.

Q. With Bayh out, will Coats win?

A. Looks that way now. Polls show Coats ahead.

Election analysts rate the Indiana Senate race as leaning Republican. Congressman Brad Ellsworth, picked as Democratic nominee to fill the vacancy caused by Bayh's last minute departure, has a chance, but not the almost sure-thing chance of Bayh.

Q. Where did Bayh's departure also turn a safe Democratic House seat into a "leaning Republican" race?

A. In the 8th District, where the House seat now is held by Ellsworth. The Evansville Democrat was a highly popular sheriff and won big twice for Congress. He would have won again for reelection to the House. Instead, he runs the risky race for the Senate. Without Ellsworth running for reelection in the 8th, that district now is leaning Republican.

Q. Does Bayh's departure also make things tougher for other Democratic congressmen?

A. Could, although Bayh didn't have long coattails helping Democratic congressional candidates when he won big in 2004. Still, he could have been of some help to Congressmen Joe Donnelly, in the 2nd District, and Baron Hill, in the 9th, fellow moderates. Could opponents successfully portray Donnelly and Hill as wild-eyed socialists if Bayh, Mr. Moderate, was defending having voted exactly the same way? While the 2nd is regarded as leaning Democratic, the 9th is listed as a tossup.

Q. If there's a big Republican sweep in Indiana, with the Senate seat going Republican and the House delegation going from five Democrats and four Republicans to 6-3 or even 7-2 Republican, will it be all Bayh's fault?

A. Of course not. Many factors, including a likely national GOP tide, would be involved. Bayh's decision would be the key factor, however, in any Republican wins for the Senate and in the 8th District.

Q. Would this eliminate any chance of Bayh running for governor in 2012?

A. No.

Q. Well, wouldn't Democrats be mad at him for fleeing the battlefield this time?

A. Some would be. But would they have a candidate with a better chance to win back the governor's office? The reasons why Hoosier voters would have reelected Bayh to the Senate explain why he also would be a formidable candidate for governor. ❖





Misplaced justice

By **DAVID McINTOSH**

WASHINGTON - A startling theme has emerged from the Obama Administration: the Justice Department being used as a political tool to advance President Obama's agenda on the nation and prevent any state from enacting a law they disagree with. Three recent actions by the Justice Department highlight this trend and demonstrate the need for the American people to demand reform. The first is the recent Justice Department lawsuit over Arizona's new immigration law designed to provide local police the power to investigate the citizenship status of suspected illegal immigrants.

The second is the DOJ declining to pursue criminal charges against members of the New Black Panther party for unambiguous voter intimidation on Election Day 2008 outside a Philadelphia polling place.



The third is the Obama Administration's defense of the Defense of Marriage Act (DOMA) in federal court in Boston, while simultaneously calling for the law's repeal. These incidents serve to reinforce the notion that President Obama is using what should be an impartial legal institution into a partisan political tool.

Since the inception of the legal profession there has been an undisputed principle which has guided the application of the law: equal, blind justice. That trend has been bucked with the Obama Justice Department. Take the first case of the Justice Department suing Arizona over the infamous immigration law. This suit is rooted not in a belief that the law somehow usurps federal authority, but that it enacts a policy the Justice Department finds to be opposite their political ideology. Upon reading the Arizona immigration law, one discovers that the law is identical to federal immigration law. The state law merely permits local law enforcement officers the ability to enforce immigration law approved at the federal level. The existence of the Arizona law was inspired by the federal government's unwillingness to enforce immigration laws already on the books.

But none of that compares with the brazen double-standard with which the Justice Department is applying its authority. The DOJ sues Arizona for having the audacity to enforce a mirror law of federal immigration policy while refusing to address the municipalities giving safe haven to illegal immigrants. Many cities, such as San Francisco, have for years provided assistance and refuge to those individuals they know to be illegal aliens. In fact, many municipalities have passed ordinances banning their police forces

from enforcing immigration law. So, the Justice Department sues Arizona for enacting a state law that already exists at the federal level but does not seek any legal challenge against the "sanctuary cities" that shamelessly support illegal immigrants in violation of federal law.

As if that weren't tragic enough, the Justice Department recently has come into the spotlight for refusing to continue a suit against members of the New Black Panther party for its role in voter intimidation. On Election Day 2008, two members of the party were videotaped outside a Philadelphia area polling station wearing military fatigues and brandishing nightsticks. When confronted, they identified themselves as being "security." Their comments included shouting obscenities at voters and even referring to a Republican African-American poll monitor as a "race traitor." The Bush Justice Department filed charges against these individuals, but the Obama Administration dropped all charges after getting one Black Panther member to agree not to carry a deadly weapon in Philadelphia until 2012. The DOJ was confident in its statement that justice had been served. This, despite the fact that the Black Panther member is not barred from carrying a deadly weapon at a polling place outside of Philadelphia or after 2012.

This came to light when J. Christian Adams, who worked in the DOJ's Voting Rights Division resigned in protest over the decision to drop the case. Disturbingly, Adams testified before the U.S. Civil Rights Commission that the Obama Justice Department has been attempting to bend the law to serve social ends. Adams contended that he was instructed by his superiors that the new policy of the Justice Department would be to not charge black defendants when the victim was white. This represents a continued misuse of the Justice Department as not only a political body, but one that uses what should be color-blind laws into shaping unjust social policy.

Never before has an administration used the Justice Department to methodically and systematically undermine the rights of certain Americans and hold a legal double standard based on their political biases. These actions are inexcusable. If the Justice Department is going to sue Arizona over its immigration law, it should equally sue municipalities that provide safe harbor to illegal aliens.

If the Justice Department is going to enforce the Voting Rights Act, it should do so equally regardless of the race of the defendant and victim. We cannot have true equity and equality if the law is being applied differently to different classes of people. That is reminiscent of a time and place in our country to which we promised never to return. ❖

David McIntosh represented Indiana in the U.S. House of Representatives from 1995-2001. He is a founding member of the Federalist Society.



Is 'shock & awe' the best Mourdock can do?

By **SHAW R. FRIEDMAN**

LAPORTE - Shock and awe?

That's the best he's got? Our state treasurer, Richard Mourdock, on learning of the plan by his Democratic opponent Pete Buttigieg to impose certain requirements on banks wanting state deposits, says he's in "shock and awe."

Then Mourdock takes a further shot by saying what Buttigieg wants is to impose "social policy." Huh? Only in Mitch Daniels' Republican Party would requiring banks that want to hold state deposits be good corporate citizens be viewed as imposing unwanted "social policy."



It's understandable, though, when you consider this is a state administration that wants to impose some of the most onerous reporting and disclosure requirements on poor food stamp and Medicaid recipients. It's okay when state monies are at stake to somehow

require the poor, infirm and disabled to jump through all kinds of hoops such as 10-page applications and detailed on-line assessments of what the assistance is used for. (How'd that privatized system for delivering food stamps work out, Governor?)

But ask multi-state bank holding corporations to comply with various laws such as the Community Reinvestment Act or provide "plain vanilla" mortgages and checking accounts. Nah, that's asking too much.

Can you imagine Buttigieg wanting something as "radical" as a bank having a record of resolving distressed home mortgages through renegotiation? Preposterous. Same with insisting on a track record of lending to micro-enterprises or a share of revenues donated to charitable or community causes. Heaven's sakes. Next, these Democrats will actually insist on banks lending to small businesses and helping spur a recovery?

With Indiana depositing about \$1.5 billion in the banks that a state treasurer chooses, Buttigieg is right that the treasurer has a good deal of discretion where he (or she) does business. Why not impose some nominal requirements when banks are contending for that state business?

Many of the banks are the same national bank holding corporations that nearly brought our economy to its knees with their shameless and reckless over-leveraging and use of opaque, non-regulated derivatives. These are the same banks whose record payouts to CEOs at the time

they were taking bailout money shocked the consciences of many.

This is a financial industry that ran wild under Bush/Daniels era deregulation eventually bringing on a crisis that has left 15 million Americans unemployed and required large scale taxpayer-financed bailouts to avoid an even worse outcome. Did Wall Street and the banking industry expect to emerge from that without federal and state regulators imposing some additional restrictions?

Apparently, the bankers' man in the treasurer's office, Richard Mourdock, did. He and the Governor and so many Republicans are overtly hostile to the new financial reform package adopted nationally to try to insure that a crisis like the one we underwent in 2008 never happens again. Banks trading in custom made products will have to build larger cushions of capital to protect themselves and a new consumer protection agency will help stop predatory lending, impose new oversight on hedge funds and make it possible for regulators to dismantle big banks that were deemed to pose an imminent risk of failure. And it creates a \$50 billion fund by the nation's largest banks to cover commitments of a failing institution being wound down.

Innovative state regulators around the nation are taking some of their own state level initiatives designed to encourage responsible banking. Pete Buttigieg's proposed requirements for banks wanting a share of state business are a reasonable and moderate step designed to require a degree of corporate citizenship and participation in a community's economic health. Can you imagine that? Trying to use state policy to encourage banks to treat their customers better, to unfreeze credit and begin lending again and be more involved in their communities.

Richard Mourdock needs to remember while he's still state treasurer he should not simply be the banks' mouthpiece at the State Capitol. They've got plenty of lobbyists and friends to do that. The only "shock and awe" any of us should feel is seeing our state treasurer unable to grasp that an era of deregulation of banks nearly broke our economy and it's time to ask more of these corporations that benefit by state largesse. ❖

Shaw R. Friedman is a LaPorte attorney who is a regular contributor to HPI.



Frank Rich, New York Times: Elections, the cliché goes, are about the future, not the past. At the very least they're about the present. It's time voters were told just how far right the G.O.P. has lurched since Bush returned to Texas. And the White House might also at long last — at very long last — craft a compelling message, not to mention a plan, to offer real hope to the jobless. Repeated boasts of a resurgent auto industry (where the work force is 30 percent smaller than prerecession) won't persuade anyone, and neither will repeated assurances that legislation passed months ago will kick in over the long haul. Some 16.5 percent of America's workers are now either unemployed and trying to find a job, involuntarily working part time, or have stopped looking for work altogether. That figure doesn't even include the many Americans who've had to settle for jobs for which they are overqualified. For Obama even to stipulate that the G.O.P. has ideas about how to deal with this crisis is generous. Consultants are telling Republicans to advance no new programs at all, given how far a simple no to the president has taken them thus far, and they are following orders. But what we can discern of the Republican "ideas" lying in wait almost makes Bush's conservatism actually seem compassionate. The public is largely unaware of this because the conservative establishment in both Washington and the press has been relentless in its effort to separate the G.O.P. from the excesses of the Palin-Fox-Beck-Breitbart bomb throwers and from wacky Tea Party senatorial candidates like Sharron Angle of Nevada and Rand Paul of Kentucky. To hear most non-Fox conservative pundits tell it on Sunday talk shows or op-ed pages, these unruly radicals are just a passing craze. The new post-Bush G.O.P., we're told, is exemplified by responsible, traditional small-government conservative governors like Mitch Daniels (of Indiana) or Chris Christie (of New Jersey). But it's Daniels and Christie who are the anomalies. The leaders who would actually take over should the Republicans regain Congress are far closer to the revolutionaries than most voters imagine. Take Representative Paul Ryan of Wisconsin, who has been relentlessly promoted by the right as the intellectual golden boy of the G.O.P. and who would be elevated to chairman of the powerful budget committee in a Republican House. His much publicized "Roadmap for America's Future" — hailed by Fred Barnes of *The Weekly Standard* as "the most important proposal in domestic policy" since Reagan's voodoo economics — not only revives the failed Bush proposal of partially privatizing Social Security but tops him by replacing Medicare with a voucher system that, like Ryan's skewed tax cuts, would benefit the superrich while raising taxes and medical costs for everyone else. ❖



Mizell Stewart, Evansville Courier & Press: Two different flavors of openness and transparency were on display around town this past week. You probably know about one — Democratic State Rep. Gail Riecken's concern about being videotaped by Republican operatives at a community meeting — and probably missed the second. We've editorialized on the Riecken flap, which was quickly and appropriately pounced on by her GOP opponent, former Vanderburgh County Commissioner Cheryl Musgrave. I won't belabor the point except to suggest that the easiest way for a candidate to make sure someone doesn't take your remarks out of context at a public meeting is not to bar citizens or the media from recording them but to make sure someone on your side is recording your remarks as well. The more positive flavor of openness is the decision by the Evansville City Council to televise its budget hearings, which are coming up later this month. The Vanderburgh County Council has traditionally televised its budget hearings, but this is the first time the City Council will do so. Not only is it about time, it will be a good time for citizens to see the kinds of decisions that will need to be made in an era of declining municipal revenues and potentially escalating costs. ❖

Sylvia Smith, Fort Wayne Journal Gazette: Should Brad Ellsworth return the \$12,000 he received in past elections from Charles Rangel, who now is accused by the House ethics committee of a series of financial misdeeds? Should Dan Coats give back the \$1,250 that one of the Wyly brothers donated to the Coats campaign in the '90s now that Sam and Charles Wyly are accused by the Securities and Exchange Commission of a fraudulent insider-trading scheme? If political money from accused, suspected or acknowledged naughty donors is tainted, does the stink dissipate after a decade and a half? Yes? Then how about this: Should Marlin Stutzman send back the \$500 campaign donation he got from Mark Souder last spring, shortly before Souder resigned in disgrace? Are we getting a bit too silly? Silliness is the stock-and-trade of some folks in the political business, and it's plenty apparent as campaigns and national party organizations call on candidates to disavow contributions they received from donors who have since developed an unsavory patina. A spokesman for the National Republican Senatorial Committee said if Ellsworth, now vying with Coats for the Indiana Senate seat, didn't give the money back, it was proof that he was standing by Rangel. "Actions speak louder than words," Brian Walsh said, "and Brad Ellsworth's decision to condone unethical behavior in Congress speaks volumes." Um, Brian — what about the \$750,000 the National Republican Congressional Committee accepted from then-Rep. (now inmate) Randy "Duke" Cunningham? ❖



Lugar plans 2012 run for seventh term

SOUTH BEND - Republican Sen. Richard Lugar said Wednesday that he plans to seek a seventh term in 2012

in a bid that would extend his run as the longest-serving U.S. senator in Indiana history (Associated Press).

After speaking about world affairs and taking questions during a luncheon at The Summit Club, a private dining club in South Bend, the 78-year-old Lugar said he will run again, though he has not formally announced his candidacy. "I suppose there will be a place and a time to do that, to rally the forces, to get the fundraisers going and all of that type of thing. But that's my intent day by day," he said. "Most people in the Senate know I will be around; therefore they have to deal with me on that basis." Asked how he thought President Barack Obama was doing, Lugar said the president hasn't provided the needed direction while trying to tackle big issues such as health care, regulatory reform and the struggling economy, especially when there were 60 Democrats in the Senate and passing legislation was easier. "The failure of the administration to be able to bring about economic recovery beyond 9.5 percent unemployment is really sort of a disaster in terms of new jobs formation or what have you, is job number one undone," he said. Lugar said he thinks Obama's popularity is falling because of a sense of pessimism across the nation. "There's a foreboding that this is going to go on and on and on," he said. "He can say, 'I inherited a mess, and I've done the best I could to dig out of it.' But at the same time, these extraordinary initiatives which are being claimed as



triumphs, as a matter of fact, the jury is still out as to whether they were triumphs or disasters."

Daniels said he would welcome federal aid

FORT WAYNE - Gov. Mitch Daniels expressed optimism Wednesday that Indiana schools won't see additional budget cuts – with or without new federal stimulus dollars coming this way (Kelly, Fort Wayne Journal Gazette). Daniels said the state, including schools, would have been able to stay in the black without asking for any more outside aid, but the stimulus money will make that effort easier. "That's our goal, and our current assessment is that we can achieve it, with or without another federal check," the governor said. "We'll do all we can to avoid any further reduction." Indiana K-12 schools statewide received a \$300 million cut in 2010 because of lagging state tax collections, and some school administrators feared more cuts might come in 2011. The newly passed stimulus bill will bring Indiana \$207 million for education and \$227 million for Medicaid. During a visit to Fort Wayne on Wednesday, the governor said he hasn't changed his position on the stimulus. He said he understands the need to try to help the economy but said some of these measures aren't creating jobs.

Daniels, Long hail Major Moves project

FORT WAYNE - Western Fort Wayne drivers officially have an improved route to and from the central city, even if it cost about \$5 million more than expected (Fort Wayne Journal Gazette). Gov. Mitch Daniels and other state dignitaries held a ceremonial ribbon cutting Wednesday to open the new, wider stretch of Illinois Road west of Interstate 69. The \$20.7 million project expanded the congest-

ed two lanes of traffic to five lanes, including a center left-turn lane from Daniels and others credited the project to the lease of the Indiana Toll Road. Sen. David Long said "Only because of Major Moves were we able to build this road."

Appeals Court upholds Cantrell conviction

CHICAGO - The 7th U.S. Circuit Court of Appeals denied Lake County power broker Robert Cantrell's appeal of fraud convictions Wednesday, but Cantrell's lawyer said the case is not over yet. The former North Township supervisor, 68, was sentenced to almost 6 1/2 years in prison in March 2009.

Gender won't decide next Supreme justice

INDIANAPOLIS - Gov. Mitch Daniels says it would be gratifying to appoint a woman to the Indiana Supreme Court, but gender can't be the controlling factor (Columbus Republic). Retiring Justice Theodore Boehm has encouraged Daniels to add diversity to the state's high court. Indiana is one of only two states with no sitting female justice. Daniels says his selection will be based qualifications and judicial outlook. He says he favors judges who show restraint and don't invent laws but interpret them fairly.

GM posts \$1.3B profit, Whitacre ready for IPO

DETROIT - General Motors Co. said Thursday it made \$1.33 billion in the second quarter, a sign it's getting healthier as it prepares to sell stock to the public. It was the second straight quarterly profit for GM, which made \$865 million in the first quarter. CEO Ed Whitacre said last week that the company is eager to sell shares in an initial public offering so it can end its dependence on the government.