



Bosma breaks 194 year tradition

Gives chairs to Dobis, Stemler as Baur bristles and storm clouds gather

By **BRIAN A. HOWEY**

INDIANAPOLIS - Moments after B. Patrick Bauer rose to nominate House Speaker Brian C. Bosma by "acclamation" on Tuesday, the Republican commenced his charm offensive.

The Indianapolis Republican had hinted at a "historic" announcement on Monday. He quickly broke with 194 years of tradition by appointing two committee chairmen from the House Democratic Caucus minutes after taking his second oath of office in that powerful position. Bosma said he is appointing a Lake County Democrat - State Rep. Chet Dobis - to the Select Committee on Government Reduction. The irony of that selection wasn't lost on anyone.

Dobis was a Democrat willing to work with Gov. Mitch Daniels on such issues as the Northwest Redevelopment Authority and the Illiana Expressway. He



Speaker Bosma holds the family Bible after being sworn in Tuesday. (HPI Photo by Brian A. Howey)

also broke ranks with Bauer last winter on a local issue, losing his leadership position. He returned fire by calling Bauer "paranoid" and suggesting that the powerful Bauer had lost his way. The fact that Dobis comes from the most government-bloated and corrupt corner of Indiana suggested a shrewd twist in Bosma's olive branch.

Gov. Mitch Daniels, in an e-mail to HPI from Japan, reacted by saying, "The Speaker has set the perfect tone for a session of enormous importance and promise. The best and most enduring reforms happen on a bipartisan basis. The two new Chairmen are outstanding members for whom I've come to have the highest regard. Great move."

Bauer was unimpressed, telling the Louisville Courier-Journal that the olive branch "had thorns." Instead of seeing it as a reach across the aisle, Bauer saw it as a scheme to blame Democrats for a session that is crowded with gloomy fiscal realities and fraught with policy dangers to the

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Hoosier brain drain

By **MORTON J. MARCUS**

INDIANAPOLIS - When a person reaches my age, there are dreams of visiting exotic places. A group of scholars are going to meet in Erie (PA) to discuss "The Brain Drain". I volunteered to speak, but no invitation has been forthcoming. I'm disappointed.



Morton Marcus
Column

"The Brain Drain" is a big topic nationally and in Indiana. Locally it has been lamented for more than 40 years. If all the talk is any indication, we are now down to the Social Sludge and the



"This is very serious. Any one of those warheads could obliterate the city of Indianapolis."

- U.S. Sen. Dick Lugar, in calling for the Senate passage of the START treaty



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Witless Wannabes - - (which might explain the Indiana General Assembly). This departure of gray matter has been studied and decried by some of the most prominent organizations in the state, including the Lilly Endowment, the Fiscal Policy Institute, and the Higher Education Commission.

Millions have been given by the Endowment to Hoosier colleges and universities to retain Indiana graduates. Yet, the drain remains unplugged. Although Indiana generates thousands of degrees each year, the state fails to keep its diploma holders.

"There are not enough businesses expanding in or coming to Indiana," explains Larry Gigerich of Ginovus, an economic development consulting company. Mr. Gigerich then compliments Governor Daniels' program, "Indiana's Economic Comeback," for "trying to make Indiana the most hospitable place for businesses to invest."

The issue may not be a lack of jobs, but a lack of interest by young people to live in Indiana. It may be a nice place to visit as a post-secondary student, but not a place where one wants to live.

Many years ago, I asked my class in Urban Economics at Indiana University to describe the characteristics of the place they would want to live.

The students almost unanimously described San Francisco. Upon investigation, I discovered that none of them had ever lived in or visited the City-by-the-Bay where crooners leave their hearts.

What does San Francisco have that Fairmount, Ind., does not have? The California city is a place of human density and economic variety. Fairmount can claim little more than being the birthplace of James Dean who specialized in playing sullen, embittered characters in a handful of movies.

If being dull does not satisfy you as an answer for Indiana's failure

to hold young people, let's consider some numbers. The median hourly wage in May 2009 in the U.S. was \$20.90; for Indiana the figure was \$15.03. Where the average worker in the Indianapolis area was earning \$18.72, the Bay Area worker was making \$29.26 per hour.

Some say that the costs of living in the two places are different. But the fact is that the wages are different and prices follow wages not the opposite way around. Housing is cheaper in Indiana because fewer people want to live here and the value of the goods and services we make is lower than in the Golden State. Lower valued outputs lead to lower wages which lead to lower housing prices.

When young people choose to live elsewhere, the average age rises. From 2000 to 2009, in 53 of Indiana's 92 counties, the gain in the population 65 and older exceeded the total population gain of the county. The problem is not a deficiency in fertility or a lack of college degrees.

It's easy to say the problem is a failure of business investment. We could not admit that the failure is a stodgy environment, communities with hardened intellectual arteries, and businesses that feel at home in such places.

Yes, the issue could be the brain morbidity of business and civic management rather than a need for more business tax incentives.

But I don't think I'll get a chance to say that at an academic conference in effervescent Erie. Academics and the public want to believe that degrees are the essence of progress. ❖

Mr. Marcus is an independent economist, speaker, and writer formerly with IU's Kelley School of Business.



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status quo he so ardently defends. He also thought that he, not Bosma, should have selected the chairs from his caucus.

Bosma chose State Rep. Steve Stemler, D-Jeffersonville, to head up the Economic Development and Small Business Committee.

With a 60-member caucus - the largest since there were 62 Republicans that came out of the 1984 Reagan landslide - Bosma attempted to dramatically change the dynamic.

"To demonstrate my commitment to bipartisanship, for the first time - to my knowledge - in state history, a Speaker of the Indiana House will reach across the aisle and appoint two members of the minority party to serve as committee chairs," Bosma said. "In addition, I am pledging weekly meetings with the leadership of the Democrat caucus to discuss events of the coming week and areas of agreement, disagreement and concern."

Bosma told HPI he decided to extend chairs to Democrats two months ago. "I've spoken with both Republicans and Democratic members of the House," Bosma told HPI. "They said the model we're currently operating under - the partisan model of secrecy and backroom decisions and notifying everyone else - just doesn't work. I firmly believe the message sent by the public was not an endorsement of the Republicans or a condemnation of Democrats. It was a condemnation of the system. I am pledging to change this little piece of it in the Indiana House. I want to dramatically change what's happened over the last three or four years."

Both Democrats quickly accepted the posts. "It's a daunting task obviously," Dobis said after Bosma had described how Indiana code books had expanded from five and a half volumes in 1976 to 21 "in fine print that have buried employers, municipalities and schools." This move, along with Gov. Daniels intent to analyze the state's burgeoning criminal code that is quickly filling up jails

and prisons could represent that most significant revamp of state government since Gov. Evan Bayh consolidated safety net agencies into FSSA and Gov. Paul McNutt worked to rein in the state's mish-mash bureaucracy in 1933-34. Bosma wants Dobis and the committee to "take a look at the hundreds of commissions and boards" and determine whether their existence is justified.

"I am extremely excited about the Select Committee on Government Reduction," Bosma said. "It will have the opportunity to put Indiana even more firmly on the economic development map if we undertake a strong, sincere effort to deregulate. It will capture the attention of the rest of the country."

"It's a pretty broad assignment. I'm hoping that some institutional history and experience ... will allow me to make this a better place than when I got here," Dobis said.

Despite Bauer's misgivings, Stemler warmed up to the assignment. "You have to start from a foundation of trust in others in order to achieve anything lasting," Stemler told the Courier-Journal. "Jobs and putting people back to work in Indiana are the top priority. Chairing the Commerce, Economic Development and Small Business Committee

will allow me to have direct influence in creating jobs in my district and all of Indiana. The stakes are too high for our future in Indiana not to work together to address our shared responsibilities and problems."

State Rep. Linda Lawson, D-Hammond, the assistant Democratic leader, praised the selection of Dobis but said she found Bosma's call for bipartisanship "interesting" (Carden, Times of Northwest Indiana). "It's very early in the session, it has been about an hour, so we'll see by the end of April where we're at; to see if we're still on speaking terms, all of us," Lawson said. "I hope we can all work together. It makes things a lot healthier for all of us when we can work together well." State Rep. Chuck Moseley, D-Portage, said he was excited by Bosma's promise of bipartisanship. "It's a really strong attempt to send a message to the folks of Indiana: Let's get the business of the people done,"



State Rep. Chet Dobis declined to challenge Bauer as caucus head, but got a key committee chair. (HPI Photo by Brian A. Howey)



Moseley said.

Freshman Republicans were pleased. "Things are going to be different," said State Rep. Mike Karickhoff, R-Kokomo (Hayden, CHNI). "It's not going to be like the old days." State Rep. Rhonda Rhoads, R-Corydon, added, "I don't think being elected had anything to do with me being a Republican. I think it had to do with people thinking I would stand up for them."

Bosma made other changes. He will limit the bills of each legislator to 10. He will seek an end to "blackballing" minority caucus members. He will insist on prompt commencement and adjournment schedules. Bosma said that every committee hearing will be video streamed on the Internet, continuing his move that began in 2005 to video chamber proceedings and those in major committee rooms.

And he tweaked Bauer over what he called "bare knuckled" campaign methods aimed at his caucus members, including many freshmen. Some Democrats, like State Rep. Scott Reske, were also the target of unseemly GOP mailers during the campaign. Bosma described it as his "personal, top goal to make every effort to restore civility and respect for each other."

Long expands leadership; election chairs

Senate President Pro Tempore David Long also sought to change the dynamic, but within his own sprawling caucus. He expanded leadership to include State Sen. Mike Delph as assistant majority floor chairman. He added Sens. Johnny Nugent (R-Lawrenceburg) as majority floor leader emeritus, Travis Holdman (R-Markle) as assistant majority whip and Carlin Yoder (R-Middlebury) as assistant majority caucus chair.

Long also named State Sen. Sue Landske to head up the Senate Elections Committee. With Bosma appointing State Rep. Eric Koch to head up its House counterpart with Rep. Kathy Kreag Richardson as his deputy, it will be these five legislators who will have the biggest impact on the drawing of congressional and legislative maps.

Bosma promised an "unprecedented" reapportionment process and pledged to make "fair maps" drawn after a series of statewide meetings to determine such concepts as "communities of interest."

The economy and 'worst recovery' ever

And then there is the economy. Bosma talked of struggling Hoosier families gathering around the kitchen table trying to cope with the tough finances. Legislators should do the same, Bosma said.

"Our top priority will be to protect Hoosier taxpayers and our state's struggling economy by forcing government to live within its means. We are going to do what families and employers all over the state have done - we will adopt a spending plan that addresses our state's critical needs without increasing taxes on Hoosier families or employees. Without a doubt this won't be easy, at no time in our state's history have revenues lagged six years behind. We have the same revenues now that we had in 2005."

Indiana legislators are looking at a structural budget deficit of \$1 billion (it could be as high as \$1.3 billion or as low as \$700 million, according to Kevin Brinegar of the Indiana Chamber of Commerce). The annual revenue numbers in the next biennial budget are expected to range

between \$13.2 billion and \$13.5 billion, the lowest since 2005. With Republicans holding a 60-seat majority in the Indiana House and a 37-seat majority in the Indiana Senate, they will decide on what is cut and what is spent.

Bosma said Monday that K-12 education will be "flat-lined" with everything else facing the cleaver. "There will be no sacred cows," Bosma said, before adding, "The most sacred cow is education." He insisted that there would be an "honest budget" with hardball questions: "Do we need to spend this money? If so, how?"

State Sen. Brandt Hershman, who was initially supposed to answer the "softball question" from the Chamber's Cam Carter before bouncing it to Bosma, agreed. The Senate appropriations chairman cited

three options to this crisis: raise revenue, reduce spending or "grow the economy."

"Raising taxes? That's off the table," Hershman said. "That leaves growing the economy and cutting spending." He hopes that on the revenue front "we've bottomed out."

Obviously, the tenuous budget situation, which is still better than most other states, colors everything else.



House Minority Leader B. Patrick Bauer and conference chair Linda Lawson listen to Bosma's speech. (HPI Photo by Brian A. Howey)



It is also home to irony. After a year when Republicans bashed President Obama's stimulus package, Gov. Mitch Daniels and Republican legislative leaders won't be able to balance the budget with stimulus money that bailed out education and Medicaid two years ago.

Bosma responded to a question from the president of the Fort Wayne Community School Board by saying that, "There will be, no doubt, a new funding formula for education." It was noted that Fort Wayne now has just 235 fewer students than Indianapolis Public Schools, yet receives \$235 million less than IPS. Brinegar put the number at \$90 million paid out to districts for students who have come and gone.

Bosma noted that the "deghoster" issue where money stays in a school corporation for as long as two years after a student drops out or transfers will come to an end.

Hershman was concerned about the "unprecedented strain on higher education" with Ivy Tech "bursting at the seams" and "there's not going to be any extra money."

Health reforms

As for the impact of President Obama's health reforms, Bosma said there is scant information available to states on how they are supposed to handle the federal mandate. As for a "complete synopsis" on the fiscal impact, Bosma complained, "It's not on my desk."

"Most members of my caucus absolutely oppose it," Bosma said. "We'll look to make smart decisions, including opt outs. You will see efforts to reinstate state sovereignty and state rights on this issue."

State Sen. Jim Arnold, D-Michigan City, candidly said, "I don't understand it. Every time I talk to someone about it, then someone will say something opposite."

Local government reform

Bosma reiterated that he views many of the Kernan-Shepard reforms as "parochial issues" and predicted the reforms will find support and detractors in each caucus. He promised hearings, a debate and votes on the reforms

but wouldn't predict how they will turn out. "Every elected official must look at the issue and ask, 'What does it do to my county, my town, my township?'"

Bosma noted that outgoing State Rep. Jackie Walorski said that township trustees in her district are frugal and that the counties where duties like poor relief might be handed off "tax and spend." In Hamilton County, there is

concern about reducing the three county commissioners to a single administrator and what impact that could have.

State Rep. Linda Lawson, D-Hammond, speaking for House Democrats, added that "our township government works well" during this era of high unemployment. "Our needs are different than in Hamilton County. I hope we have a choice."

Sen. Hershman noted two aspects of local government reform: there is a natural tendency to embrace the status quo and that "change is not always for the

better." Hershman said that some township trustees in his district "have been fantastic and others have gone to jail." He said the Senate approach would be to host "thoughtful hearings, ask tough questions and let the chips fall where they may."

Sen. Arnold noted that some of the most ardent defenders of the township system "don't even know who their township trustee is. They don't know what they do." He added that he believes the Kernan-Shepard Commission was made up of "good, thoughtful people."

Wedge issues

Asked about "wedge issues" playing havoc with what Bosma called his top priority ("budget integrity"), the incoming speaker said that those are in the eye of the beholder. "Folks in labor say right to work is a wedge issue, but don't tell that to the Chamber." Ditto for abortion issues and right to life.

"We can multi-task," Bosma said. "As long as we have fair, transparent deliberations, that's what democracy is about. You will see a debate."

"Is it our priority?" Bosma asked of wedge issues. "Absolutely not." ❖



Freshman State Reps. Kevin Mahan and Mike Karickhoff talk with Indiana Chamber's Cam Carter and Speaker Bosma on Monday. (HPI Photo by Brian A. Howey)



Lugar travels risky road through Africa bio labs, and Tea Party crosshairs

By **BRIAN A. HOWEY**

INDIANAPOLIS - Driving through downtown Tirana, Albania, on a bus in August 2007 after an exhausting Nunn-Lugar tour through Moscow, Siberia, Ukraine and now this Adriatic backwater, I remember asking Kenneth Handelman whether civilization had "dodged a bullet."

This was after touring the Mayak nuclear storage facility and Schuch'ye Chemical Weapons Destruction Facility in Western Siberia. Handelman, now deputy assistant secretary for the Department of Defense's Global Strategic Affairs sector, answered, "We don't know what we don't know."

The backdrop to the question was bizarre. There were little domed depots visible from the road between the capital and the airport where paranoid Albanian strongman Enver Hoxha had established caches of weapons, fearing a Russian invasion. Hoxha was long deposed and dead, and on what was to be his pyramid mausoleum in downtown Tiranna on this day had a sign on top reading, "Welcome President Bush."

U.S. Sen. Dick Lugar and Sam Nunn came here to congratulate the new Albania regime that reached out to the Nunn-Lugar Cooperative Threat Reduction Program to destroy the remnants of its chemical weapons. At the time, it seemed like a far-fetched notion that an Albanian chemical weapon might one day explode on the Washington Metro or at Giants Stadium.

Last week, as Tea Party political opposition began to mount in Indiana against Sen. Lugar, he was deep in Africa, visiting virus labs on the shores of Lake Victoria in Uganda. Upon his return, he calmly waded into controversy, first bucking Senate Minority Leader Mitch McConnell on a largely symbolic earmark ban, suggesting that doing so was an abdication of Congressional duty. Then on Wednesday, he, Senate Foreign Relations Chairman John Kerry and Secretary of State Hillary Clinton tried to stave off an embarrassing defeat on the SALT II treaty that has the potential of embarrassing not only President Obama, but Russian President Medvedev and Russian Prime Minister Putin.

In doing so, Lugar risked stoking the wrath of the Tea Party movement on both fronts.

African labs

The Lake Victoria laboratory, and a similar one in Kenya, is a government lab that researches viruses that occur naturally in Africa in animals or in the earth. The fear is that a terrorist group such as the Somalia-based al-Shabaab could hit the beaches, do a smash-and-grab, and take off with vials of Marburg, Ebola or Anthrax.

The labs have no defended perimeter, no fences, no video surveillance, and few guards. "Some of the windows were broken," said Mark Hayes, an aide to Sen. Lugar. "There is less security there than at my house in Washington, D.C."

In these primitive facilities, African researchers produce many of these pathogens for study so they can determine what strain might be used for a potential pandemic.

An al-Shabaab ally - al-Qaeda - could do much



Sen. Lugar looks over a short security wall at Kibera, the largest slum in Nairobi and known terrorist recruiting grounds. The windows are broken and a short concrete wall topped with barbed are all that prevent individuals from hopping the fence to steal Anthrax, Ebola or other potentially deadly biological agents. (Lugar Senate Photo)

with an Anthrax bomb on a New York or London subway or stadium. During the World Cup, they bombed missionaries in Uganda. As Lugar observed, "A delivery system may be as mundane as a commercial cargo carrier. In the case of infectious pathogens, the delivery system could be an individual human being."

The West is familiar with suicide bombers wearing explosive-packed vests. What the West hasn't adapted to are terrorists who might infect themselves and fly out of Cairo, spreading diseases across the globe.



"Discovering potential WMD threats is far more challenging now than when the Nunn-Lugar program began," Lugar said to more than 300 international scientists and arms control experts in Spain. "Having the capacity to evaluate and respond to threats will depend on the lines of communication we have established around the world. If the United States and its allies engage only where we know weapons are being produced, we will fail to detect and prevent numerous threats."

American Nunn-Lugar experts discovered that biological weapons developed by Soviet scientists mostly came from Africa. The fatal and contagious Ebola, Marburg and Anthrax diseases are common in Africa, and Soviet scientists worked to make them into weapons that could kill tens of thousands of troops and civilians.

Lugar added, "The proliferation of weapons of mass destruction and the diffusion of scientific knowledge are inextricably linked. Agents used in chemical weapons became part of chemotherapy. Rockets designed to carry nuclear warheads also deliver modern communications satellites into orbit. And advancements in life-science technologies and biochemical engineering can enable the development of biological weapons. Communications technology ensures that scientific achievements will travel the globe swiftly. Today, any scientist here could post research online, and within moments it is available to those seeking to use that knowledge for either constructive or destructive purposes."

The Tea Party has now targeted Lugar's Senate seat. State Sen. Mike Delph, a potential challenger, told the Indianapolis Star last week, "Conservatives like and admire Senator Lugar. However, he is wrong on judicial nominees. He is wrong on illegal immigration, especially amnesty. He is wrong on the New START treaty. And he is just now, as far as I can tell, talking about asymmetric warfare, modern-day military tactics taught in just about every military school across the country." (See the HPI Interview on Page 9).

And that, in essence, is a classic swipe falling far below the needed research range on what Nunn-Lugar and the senator's continued mission, to protect the homeland, has been since 1992. The books every military school in the country uses on WMD are still being written. Lugar's trip to Africa, where he was accompanied by Handelman and

Andy Weber - who identified an array of loose nukes, and biological and chemical weapons in the imploded former Soviet Union - is just the latest chapter of many to come unless the U.S. loses interest.

What the Tea Party - or anyone - doesn't know is whether Nunn-Lugar might have prevented an epic catastrophe in a 100,000 seat stadium. Such an attack would create "economic chaos," as Lugar put it last week, which would dwarf Sept. 11. We don't know what we don't know.

And a question that must be posed to the Tea Partiers intent on taking Lugar out is, who replaces him? Mike Delph? Richard Mourdock? Sen. Jim DeMint? Sen. Lindsey Graham?

This is a question many should ask, ponder and potentially answer no matter what happens to Sen. Lugar's political or personal future.

The central thrust of the Tea Party is that we are over taxed and we over spend.

In his Pulitzer Prize winning book, "The Dead Hand: The Untold Story of the Cold War Arms Race and Its Dangerous Legacy," author David E. Hoffman not only writes about President Reagan's desire to rid the earth of nuclear weapons (and the New START Treaty Delph and other Tea Party people opposes is a fruit of that vision), he also notes the cost-effectiveness of Nunn-Lugar.

"In 1992, Senators Nunn and Lugar took a gamble with history. Back then, skeptics

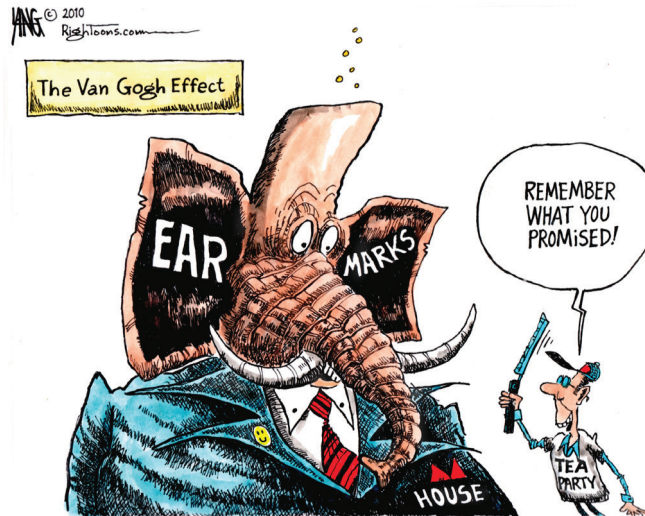
suggested it would be best to let the former Soviet Union drown in its own sorrows - to go into free-fall. Nunn and Lugar did not agree. They helped Russia and the other former Soviet republics cope with an inheritance from hell."

Since then 7,514 nuclear warheads, 752 intercontinental ballistic missiles and 31 submarines have been deactivated. Given the immense size of the Soviet military-industrial complex and the sprawling nature of the dangerous weapons and materials, the Nunn-Lugar gamble paid off. The world is safer for their vision and determination.

Hoffman adds, "It was also a bargain. The yearly cost for all facets of Nunn-Lugar was about \$1.4 billion, a tiny sliver of the annual Pentagon budget of more than \$530 billion."

Lethal earmarks?

On Tuesday, Lugar stepped into potential politi-





cal turmoil by rejecting McConnell's call for earmark ban. It came as DeMint, who is actively trying to recruit a Tea Party challenger to Lugar in 2012, told Politico that caucus members defying the ban risked the wrath of the movement.

Lugar explained, "I oppose the Senate Republican Conference voluntary moratorium on so-called earmarks. At a moment in which over-spending by the Federal government perpetuates annual deficits of over \$1 trillion a year, the Congress is being asked to debate a Congressional earmark spending resolution which will save no money even while giving the impression that the Congress is attempting to meet the public demand to reduce spending."

Lugar explained further, "Instead of surrendering Constitutional authority to Washington bureaucrats and the Obama Administration, Congress should focus on reducing spending on both entitlement and discretionary spending programs. Providing the Obama Administration with greater authority to direct spending does not accomplish this goal, and eliminating earmarks does not reduce spending. The Constitution explicitly states that it is the responsibility of Congress to make decisions on the appropriation of federal taxpayer funds. Earmarks should be considered and treated like amendments to any underlying spending bill."

Lugar noted that he was asked by McConnell in 2008 to serve as a chairman of a fiscal reform working group to find consensus on the issue of earmarks within the Republican Conference. "Our working group unanimously supported efforts to reduce spending, but held strong and diverse views on the subject of earmarks. However, we were able to come to an agreement. Our working group advocated that, "an open and accountable amendment process and absolute transparency on every Member request successfully inserted into legislation is essential to the integrity of federal spending."

A defiant Lugar then concluded, "Congress should exercise, rather than abdicate, its Constitutional authority to cut spending and reduce the deficit."

In contrast, Sen.-Elect Dan Coats explained, "Today's votes in the Republican Conference meeting were an important first step in addressing the deep financial crisis our nation faces. My Republican colleagues and I have heard the frustrations and concerns of Americans across the country looking for the same fiscal discipline and restraint they employ at home to be the framework of our efforts in the 112th Congress. I hope Democrats will join together with us and heed the wishes of Hoosiers and Americans wanting to ban earmarks and balance our budget once-and-for-all by making today's resolutions the law of the land. We owe it not only to ourselves, but to future generations of Americans to get back on track and get our fiscal house in order."

Reaction to Lugar's decision was not widespread on the blogosphere or from potential challengers.

Gary Welsh at Advance Indiana observed, "Lugar's contention that it is more important to achieve budget savings through changes in entitlement programs and discretionary spending is quite true, but his suggestion that ending earmarks won't reduce federal spending is simply ludicrous. Earmarks represent a little less than 2 percent of the federal budget, but that still represents billions of dollars in spending every year. McConnell has simply asked for a 2-year moratorium on earmarks as part of a wider effort to close the federal budget deficit, which is currently about 1.3 trillion dollars."

Welsh added, "If Lugar is trying to give ammunition to a prospective primary opponent in 2012, he is achieving that with his stubborn opposition to at least placing a moratorium on earmark spending."

New START meltdown

The other flashpoint for Lugar could be the New START treaty. Most of the Republican primary contenders were opposed to the treaty last Spring.

Coats told HPI earlier this month that he wanted to read the treaty draft before he made a decision on whether to support or oppose.

Lugar had been expressing concern over the START treaty process for years and what might happen in the void if not ratified by the Senate. On Tuesday, U.S. Sen. Jon Kyl, the lead Senate negotiator on START, moved to block the vote. At a press conference today with Secretary of State Clinton and Foreign Relations Chairman John Kerry, an animated Lugar reminded Americans that 13,300 Russian warheads are aimed at the U.S.

"We've had no boots on the ground as to what is happening to nuclear weapons in Russia" since last Dec. 5, Lugar said. "This is very serious. Any one of those warheads could obliterate the city of Indianapolis. To temporize at this point I think this is inexcusable."

Vice President Biden told the New York Times, "Failure to pass the New START treaty this year would endanger our national security."

He said it would sour U.S.-Russian relations at a time when Medvedev and Putin were applying pressure to halt the Iranian nuclear program as well as helping with supply routes to the Afghanistan war.

At this point, it would be impossible to say what the political implications for Lugar are on the homefront.

Lugar, however, is showing no signs of bending principle for peace in the Hoosier political valley. ❖



Sen. Delph talks of his promotion, and Tea Party politics

By **BRIAN A. HOWEY**

INDIANAPOLIS - On the day that State Sen. Mike Delph ascended to Senate leadership as assistant majority floor leader, HPI sat down with the Carmel Republican to talk about his new legislative role, issues such as immigration, his political future, and that of U.S. Sen. Dick Lugar.

HPI: You were just named to Senate leadership. What are the implications of that?

Delph: I'm honored and humbled to be named to Sen. Long's leadership team. He's added me to communications. That was originally added for Sen. Lubbers. Obviously there are big shoes to fill there. But it's a privilege and honor to be part of the leadership team and look forward to serving in that capacity. I'll also be added to the Tax and Fiscal Policy Committee. I'm honored to take on that role.

HPI: That's a big one.

Delph: That's one of the top two or three committees here in the Senate. Sen. Hershman and I have already spoken about that. I look forward to taking my message of government living within its means without raising taxes on Hoosiers to that committee.

HPI: Is there a divide between the fiscal and social conservatives in the Senate majority caucus?

Delph: I don't really think there's a huge difference in mindset. I think that's overblown by different segments of the media. But having said that, in our form of government, we need to allow the legislative process to work. If I'm a senator or representative and I have a group of constituents who have approached me with an issue and I decide it's something I want to pursue and I want to file a bill, then we ought to allow the process to work and that's why we have debate, committee meetings and the amend-

ment process. The legislative process, if you think about it, is designed to kill bad ideas and to make good laws. I think we need to let the process work and let the debate go forward. I don't think there is a big divide there.

HPI: There's been a lot of talk about a budget with integrity, but there are other issues, such as immigration reform, that are obviously going to come up. Has Sen. Long indicated to you whether an immigration bill is going to be a priority?

Delph: The top priority is to pass an honestly balanced budget without raising taxes on working Hoosiers. That's probably our top one, two and three priorities. I'm certainly not going to do anything that is going to take focus away from that top priority. That's one of the major functions of the Indiana General Assembly. Having said that, we have a lot of members here who are able to multi-task and I believe in the area of immigration, I believe that to be more of an economic issue than a social issue. We are

meeting to hammer out the details of our immigration proposal. I think we'll have a bill, I think it will be heard, and I think it will pass out of the Senate. I'm hopeful it will be heard and passed out of the House. I really hope we're done with this issue once and for all with this session.

HPI: How similar will it be to what Arizona Gov. Jan Brewer signed into law?

Delph: We're still going over the different provisions. There's a lot

of misunderstanding of what existing federal law is in this area. The Arizona law - and I think Jan Brewer ought to be held up as a national hero - did two major things. It took the existing federal law that's been on the books for over six years with the idea that someone who visits our country has to keep on their person the documentation that establishes their lawful presence to be here. The whole show-me-your-papers thing. It puts that into state code and it takes the 1968 Terry vs. Ohio decision (**Note:** the U.S. Supreme Court upheld the Fourth Amendment prohibition on unreasonable searches and seizures is not violated when a police officer stops a suspect on the street and searches him



State Sen. Mike Delph talks with freshman State Sen. Jim Tomes and State Rep. Ron Bacon in the Indiana Senate chamber on Tuesday. (HPI Photo by Brian A. Howey)



without probable cause to arrest, if the police officer has a reasonable suspicion that the person has committed, is committing, or is about to commit a crime), where we have the recent suspicion standard that allows that to be codified into state law. That's really the two things that it does. Racial profiling is illegal and wrong. An official that uses that tactic to execute or uphold any law should be held accountable. But the reality is that there is a problem and we need to come up with a workable solution to deal with the problem.

HPI: Let's talk about your political future. You gave me a statement after the initial Tea Party talk about a challenge to Sen. Lugar. Walk me through where you're at now and where you might be in six or nine months.

Delph: It's hard for me to predict what may or may not happen. My focus is completely on my duties here in the Indiana General Assembly. I'm a big believer that if you do your job appropriately and successfully, opportunities can present themselves. There has been a lot of talk regarding opportunities in the Congress, either in the House of Representatives or the Senate. It's always humbling to have your name floated about for those types of opportunities. But I think any kind of discussion of that now is premature. I have five daughters. These decisions aren't mine to make alone. Even if I say I want to do this, it would be unfair for me to make that kind of a decision in a vacuum.

It is something that would have to have complete family commitment. I think that's something my friends Todd Rokita and Marlin Stutzman are going to find out with their service and their entrance into the United States House of Representatives. It is a difficult family lifestyle, but not an impossible family lifestyle to navigate. The Delph family really enjoys living here in Indiana.

HPI: Did you read Sen. Lugar's Ripon Magazine article on Republican priorities for the next two years?

Delph: I haven't had a chance.

HPI: What can Sen. Lugar do in the next two years to win back the confidence of people associated with the Tea Party or other Republicans who doubt his effectiveness?

Delph: Again, I have a high regard, respect and admiration for Sen. Lugar and his long-standing service to Indiana and the nation, especially in the areas of foreign policy and national security. There's no question he's been a giant in those areas. I think the concern recently has been a disconnect of his understanding of Article 2, Sec. 2, in the rule of the Senate to advise and consent on judicial nominees and what a lot of folks back here in Indiana would like him to do. I think it's listening and getting out into the communities and hearing people directly, I think,

would be helpful. I know he does a little bit of that. I also think that we've been engaging in this debate on the crackdown of illegal immigration going on for a fourth year without any kind of proactive response from Washington in either the House or the Senate is disconcerting to many members of the Indiana General Assembly. It should not have to deal with the issue of illegal immigration. As I've traveled over the last four or five months over the entire state of Indiana, I can tell you this is a problem, a significant problem in the state and we've not had any kind of help, in my opinion, out of Washington. It would be nice to get that sort of help and it would be nice to have people understand the real problem of the federal government's failure to enforce our borders.

HPI: In the article in the Star, you made a comment about Sen. Lugar's work on WMD that came off as flip to me. Would you like to go into more detail?

Delph: I have a little background in national security and foreign policy. I am a student of history. I've been trained in the military intelligence school. I'm a level two trainer. I have a little bit of understanding. I've held a top secret security clearance since 1997.

HPI: Marines?

Delph: Both when I was a congressional aide and in the Army Reserves. So I do have a background. I gave anti-terrorism briefs once or twice to my units. I have an understanding and a background in this area. I just think counter-insurgency and asymmetrical warfare and the

current model for the conflicts and engagements we face overseas is not conventional battle space methodology. You have modern urban warfare and asymmetrical warfare. I've had my differences of viewpoints. I've tried to express those viewpoints as tactfully as I can. I read last week Treasurer Mourdock may have an interest in running for the U.S. Senate. I think that's healthy. Competition is a healthy thing. I learned that back when I was running for secretary of state. As a candidate you certainly want to walk in and you don't want to have any competition, but I think Richard Mourdock and Todd Rokita would both tell you they are better elected officials and candidates because Mike Delph was out there campaigning against them. I would say I am a better candidate and public official for going through that back in the 2002 convention. So I don't think it's anything personal toward Sen. Lugar. Many folks hold him in high regard. But you know, there's another sense that you're not entitled to any position. I'm not entitled to be a state senator. He's not entitled to be a U.S. senator. After this past election cycle the message was clear. The people said, "Listen to us. Hear us. Act on our behalf. Do our will." Any message of entitlement is not the message to send to the electorate. ❖





What do we do now? Simple opposition is mistaken policy, politics

By **DICK LUGAR**

WASHINGTON - The substantial Republican gains this November present our party with enormous opportunities, and, correspondingly, great responsibilities to an electorate demanding substantial changes in public policy from a Congress that will be responsive to its concerns.

Many analysts attribute the strong Republican trend to the visible anger of millions of Americans discouraged by persistent high unemployment, excessive government spending yielding monumental deficits to be repaid long into the future, and obtrusive federal government interference in business and other ordinary pursuits of life in a free country. Such anger – much of it justified – exists. But those who believe the explanation for what we have just witnessed starts and ends with “anger” are, in my judgment, missing the point.

Among some in Democratic leadership and the media, “anger” is shorthand for dismissing the scope and legitimacy of frustration – which found expression in the Tea Party movement – with the current direction of federal policy. One can find in any popular movement persons who can be characterized (or caricatured) as “angry” or “extreme.” Such labels were attached to Sam Adams (an “original” Tea Partier) along with Patrick Henry and Thomas Paine, none of them a moderate voice in a Revolution that began, after all, as a tax revolt.

But whatever criticisms may be leveled at one or another modern-day Tea Party spokesperson or candidate, it is unfair – and foolish – to view the movement and the over one-third of Americans who say they support its objectives as an irresponsible fringe. The vast majority of such Americans are responsible citizens convinced that federal tax, spending and regulatory policies are fundamentally off-track – so much so that they seriously threaten future prosperity and freedom, requiring ordinary individuals to become actively involved in the political process to set things right. This is how it is supposed to work in a

representative system.

It is also mistaken, in my view, for those who applaud the November election outcome to focus primarily on voter anger. This brings into focus important strategy choices facing the congressional Republicans whose numbers have now dramatically increased.

Even before the election, some Republicans counseled that correcting the country’s course entailed a two-stage process. Stage one has been accomplished with the extraordinary GOP success in 2010 mid-term elections. Stage two requires electing a Republican President in 2012, accompanied by even greater Republican representation in both houses. So far, so good. The strategy choice arises on how best to work towards that second objective.

Some recommend resolute opposition on all fronts to President Obama and his reduced cadre of Democratic congressional cohorts. This could include efforts to repeal or substantially change “Obamacare” and other Administration legislative and regulatory policies to date, even knowing such efforts would face Presidential vetoes that

would be upheld by remaining congressional Democrats. This course, some argue, will cause public anger against the President and his legislative allies to

continue to intensify, making more likely an overwhelming Republican victory in 2012. Furthermore, they caution that even attempting to advocate specific Republican proposals, much less attempting to adopt them, risks courting opposition from individuals and groups who might be affected by such reforms – and that debate within Republican ranks over particular reform ideas would weaken the overall thrust of GOP unity based on anger arising from public rejection of President Obama’s agenda.

I respectfully disagree with a “just say no” approach that excludes advancing serious Republican proposals for constructive tax, spending and regulatory reforms. Opposing unsound Administration policies remains important. Votes to repeal programs rejected by most voters, even if repeal will be vetoed, can underscore where Republicans stand on vital issues. Other steps – such as refusing to appropriate funds for aspects of such programs – may have practical impact even before the next election.

But simple, unadorned “opposition” is mistaken, from both the policy and political perspectives. Voters, including those who associate with the Tea Party movement, want their representatives to pursue responsible policies that comport with our traditions of political and economic





freedom. This is why I believe the best course for congressional Republicans is to attempt to outline and meet some very important challenges to the overall strength of our Nation and its role in the world, and to do so with far-sighted vigor and enthusiasm.

Objective number one must be to build public optimism that our economy is going to grow much stronger, and that this growth will bring about more confidence to invest in new products and services that will create more jobs, and enhance our country's ability to compete with economies of other countries around the globe. On another occasion of economic challenge, President Ronald Reagan called for "morning in America," a great new dawn of vigorous enterprise and adventure. Now as then, providing a new day of opportunity requires that we end for all Americans the threat of higher income taxes. We may introduce legislation to make our tax code less complex, and may examine very carefully various tax breaks for particular individuals and interests that have worked their way into the tax code. But it is vital that we immediately restore certainty and stability to both business and private investment decisions by ending now the threat of higher individual tax rates.

Second, we must reduce federal spending by instituting careful analysis of the largest areas of expenditure that have the most promise for identifying present and future savings. This includes backing Pentagon budget reforms proposed by Defense Secretary Robert Gates. The Secretary has courageously taken on a host of interests in the military-industrial complex (first so identified by President Eisenhower), demanding major management improvements and cutback in particular weapons systems, while encouraging our allies to assume some responsibilities we have shouldered in the defense of civilized values and the quest for global peace and stability.

Third, we must make responsible proposals for entitlement reforms, an area even more controversial than proposed reductions in defense spending. Many argue that even discussing changes in Social Security, Medicare and Medicaid benefits endangers Republicans in seeking continued public support for a reform agenda. This is the view that sees Americans, as some have put it, as rhetorically conservative but operationally liberal when it comes to government benefits they expect to receive. I believe this cynical characterization is underestimating the citizens who overwhelmingly backed Republican candidates this November.

Most Americans understand than any honest, realistic effort to get control of government spending simply must address the areas where spending growth has been monumental – namely, defense and entitlements. These Americans likewise celebrate that we now have substantial possibilities for living longer and more productive

lives, and recognize that pension and health support plans must take greater longevity into account if such plans are to survive. I believe most Americans will in fact respect and support Republicans for candidly addressing these challenges, notwithstanding predictable demagoguery this will engender from some.

A host of other areas will also benefit from responsible Republican suggestions. As one example, I have long advocated ending various New Deal-era crop subsidy programs, and substituting a form of whole farm income insurance as a more practical and equitable policy. Republicans with leadership experience in other fields should advance similar reforms, grounded in national and international realities of 2010 as opposed to the 1930s or World War II periods that spawned scores of "emergency solutions" that yet survive.

Republicans should also once again champion our international interests. Bilateral trade agreements with South Korea, Colombia and Panama have long been on the table; they merit our strong support. We should take the lead in encouraging American exports and ideals around the world. We should accelerate opportunities for foreign students to study in our universities and American students to study abroad, creating better-informed business and political leaders in the future. Republicans know our country remains the strongest economic competitor.

A vital example is American agriculture, where corn, wheat and soybean exports – boosted by incorporating scientific advances in production and distribution of our crops – find valuable markets abroad while providing a humane safety net for countless thousands around the world. We should support educational reforms, as well as tax and other economic policies, that enhance our competitive position – including making American companies more attractive investment vehicles for international capital – rather than "hunkering down" with high tariff and other protectionist policies rooted in fear of international competition in which we in fact can thrive.

In these and other areas, congressional Republicans have an historic opportunity to take the lead in moving our country towards constructive solutions vital to its long-term strength and prosperity. I believe Americans are prepared and indeed eager, as perhaps never before, for leaders who will responsibly address difficult challenges, rather than ducking controversial issues out of fear of the political repercussions.

Independent voters and indeed, a great many persons from traditional Democratic backgrounds will be encouraged by this approach, and will join Republicans in supporting our courageous and visionary leadership. Let's not disappoint them. ❖

Sen. Lugar wrote this for Ripon Magazine.



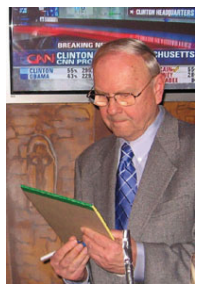
Donnelly and the decimated Blue Dogs

By JACK COLWELL

SOUTH BEND - SOUTH BEND - Joe Donnelly, a Blue Dog survivor of a fight with a Tea Party pit bull, will find upon return to Congress for the new session in January that moderate influence has gone to the dogs.

More than half of the moderate Democrats in the Blue Dog Coalition failed to win re-election on Nov. 2.

"The message of the election is that the vast majority of the American people want us to work together," Donnelly said as he talked of his victory over Republican challenger Jackie Walorski in Indiana's 2nd District.



Indeed, exit polls everywhere found that voters were sick of partisan battles and wanted politicians to work together to solve problems, not work separately to destroy the other side.

Voters, however, had a funny way of delivering their message. The election leaves Congress more partisan than ever, with fewer moderates on each side of the aisle. Republicans, with election of more

Tea Party enthusiasts, move farther to

the right. Democrats, with so many moderates defeated, move farther to the left. People like Donnelly, willing to reach across the aisle, are fewer in number and face warnings from their caucuses that those reaching across could lose their hands and their next election.

Still, Donnelly said, circumstances will dictate that "we have to work together," especially on jobs and the economy. That's one reason Donnelly opposes House Speaker Nancy Pelosi becoming Democratic minority leader in the new Housed.

Although campaign ads attacked Donnelly as marching in step with a liberal Pelosi agenda, he and other Blue Dog moderates were often roadblocks, forcing changes in spending priorities and dooming a public option in health care reform. In fact, liberal blogs now blame the Blue Dogs for the Democratic defeats on Nov. 2, saying that a more sweeping health care measure and greater spending on stimulus would have been more popular with voters.

"I'm a flaming centrist," Donnelly joked. Well, not entirely joking. He said voters wanted neither a big turn left nor right but instead a productive center course without concern for partisan ideology. He ran as a centrist, a Democrat but with independent views. It worked for him in the 2nd District, surviving in a swing district in a very Republican year in a Republican state and with independent conservative groups nationwide targeting him.

"I just think it's time for a fresh start," Donnelly said of need for a leader other than Pelosi, a new leader with more appeal to moderates and more in tune with parties working together.

Of course, it takes two to tango.

Will John Boehner, as the new speaker, and the new House Republican majority work with Democrats or continue to just say "no" to anything proposed by President Obama? "They don't have that choice anymore," Donnelly contended. "They have to help to provide answers." Donnelly, however, deplored the answer provided by Senate Republican Leader Mitch McConnell: "The single most important thing we want to achieve is for President Obama to be a one-term president."

"The first and foremost goal should be to do what's right for America," Donnelly said, not work to make the president fail. He said he never hoped for President Bush to fail because presidential failure hurts the nation.

Work together? On what? Donnelly cited Social Security and health care reform as areas where working together could bring results. He said Social Security, with a \$2.6 trillion surplus, is solvent until 2037 and can have its solvency extended to 2075 and beyond with some of the changes now discussed. He said that will require moderates to prevail over those who want to eliminate Social Security as some kind of "socialist scheme."

On health care reform, Donnelly said, he favors neither Tea Party calls to destroy the program nor calls from Democratic progressives to quickly expand it. "There are numerous good things in there," said Donnelly, who voted for the final version. He cited elimination of pre-existing conditions as a reason for denying coverage, extension of the life of Medicare and small business tax credits. He conceded there are problems, too.

"Fix the problems," he said. Working together to fix problems? Possible. But less probable with Blue Dog moderates now an endangered species. akenly interpret the tsunami as a call for a Tea Party Deal. ❖

Donnelly votes for Shuler for speaker

U.S. Rep. Joe Donnelly issued the following statement after voting in the Democratic leadership elections: "Today, I cast my vote for Rep. Heath Shuler of North Carolina to be Minority Leader in the next Congress because I strongly believe we need a change in leadership. The millions of Americans who voted in the recent election made their desires clear: it is time for a new direction. I am disappointed that Speaker Pelosi did not choose to step aside and allow a new voice to lead this party. With my vote today, I endorsed an agenda of moderation and the idea that one of the Democratic Party's great strengths—its diverse range of views—should be reflected in the composition of our leadership in the House of Representatives." ❖



Doug Ross, Times of Northwest Indiana: A year ago at this time, the movie "2012" was all the buzz. That movie speculated on the world ending in 2012, a hypothesis linked to the Mayan calendar supposedly ending then. This year, the movie is a distant memory. The talk of 2012 is all about the elections. This week, the speculation centers on U.S. Sen. Dick Lugar's re-election foes. When Lugar last ran for office, in 2006, he won 87.4 percent of the vote. The Democrats didn't even bother to put up a candidate to run against him. In 2012, Lugar will be 80 years old by the primary election. That's where he is likely to face some serious opposition, if the speculation I've heard is correct. Lugar has focused on major issues such as reducing the world's stockpile of nuclear weapons. He's especially concerned about the possibility of stray nukes getting into terrorists' hands. This week, he has been in Uganda, bringing attention to the possibility of an Ebola outbreak spreading to the United States. Time's Michael Crowley wrote about it Thursday, giving his report the headline, "Dick Lugar Wants to Save You From a Hideous, Horror-Movie-Style Death." And yet there's a faction within the Republican Party that doesn't consider Lugar conservative enough to continue to represent the party -- and Indiana, of course. Plus he is a longtime incumbent, one of the most senior senators ever. That makes him a target as well. State Treasurer Richard Mourdock, in particular, is one of the possibilities. He received more than 1 million votes in the general election last week. Lugar got nearly 1.2 million votes in 2006. Don Bates Jr., who ran against Senator-elect Dan Coats in this year's GOP primary, seems primed for another run for the Senate. By this time next year, we should know who the major players are. And then, depending on who's running, maybe we'll want to revisit that Mayan calendar. ❖

Rich James, Post-Tribune: I found it interesting that Sen. Evan Bayh and Rep. Mike Pence both appeared on Christiane Amanpour's "This Week" show last Sunday morning on ABC. They were on in different segments and thus didn't face each other. That could come in the not-so-distant future. Pence will be stepping down from his leadership position in the House to pursue bigger and better things. Other than hosting a lot of tea parties, Pence isn't being specific about his grandiose plans. But every time Pence appears on one of the cable networks, he gets a little more full of himself. I guess television will do that to you. Pence is one of those conservatives who make it more difficult for Republicans to move to the middle. If Pence had his way the past three years, the nation likely would be in another Great Depression right now. He opposed all the economic measures that George

Bush and Barack Obama put forward to keep the economy afloat. And Pence wants to continue the Bush tax cuts for the wealthiest Americans even though we haven't seen any great amount of job creation from those in corporate America who put the tax cuts in their pockets -- the middle class be damned. But, hey, Pence is one of the darlings of the conservative talk shows. And he's never tasted a cup of tea he didn't like. But, then there's Bayh, who is leaving Washington altogether. And, Bayh, too, isn't saying what lies ahead -- although you know it is something political or he likely wouldn't have been on TV last Sunday. Whatever Bayh does, it will be back home again in Indiana. He's already tried that president thing and wouldn't in 2012 with Barack Obama seeking a second term. Bayh has a heck of a resume. Right after Bayh announced in February that he wouldn't seek re-election to the Senate, I said he was going to end up running for governor. I stick to that. For one, Indiana Democrats need him even though some remain upset that he didn't give the party notice that he wouldn't seek a third term in the Senate. And, two, Bayh owes the party. So, who wins? Bayh. Hoosiers have a special affinity for the name. And he stands just about where most Hoosiers are politically. ❖



Jay Hein, Ripon: Will he or won't he?

That is the question on the minds of many Republican faithful desiring Mitch Daniels to throw his hat in the ring for the White House in 2012. It will be another year before there is an answer to that question. But what makes Mitch (as he prefers to be called) such an attractive national candidate is his success in the only campaign that matters to him: restoring Indiana competitiveness. When he took office in 2004, the state was \$200 million in debt with a \$700 million structural deficit. Six years later, the state enjoys a billion dollar surplus and the first two balanced budgets in nearly a decade. This success has not gone unnoticed. Standard and Poors awarded the state its first AAA bond rating, notably earned while neighboring states like Illinois were going bankrupt. This led Forbes Report to list the state #1 in the Midwest for business climate and numerous similar rankings have placed Indiana on the "best places to do business" map.Gov. Daniels achieved this remarkable turnaround by making fiscal discipline and managerial excellence his *raison d'être*. Such behavior was not the result of a fad or to score political points, nor was it even a reaction to the severe distress his state was experiencing. Rather, running a tight ship is simply what makes Mitch Daniels, er, Mitch Daniels. ❖



Daniels heading home from Asia

TOKYO – Gov. Daniels closed his 11-day job-hunting mission to China and Japan today with meetings that strengthened Indiana’s relationships with Japanese government officials and business leaders. This morning the governor traveled to the Ministry of Foreign Affairs at the request of Mr. Seiji Maehara, Japanese Foreign Affairs Minister. An up-and-coming leader of the Democratic Party of Japan, Mr. Maehara became Foreign Minister in September after serving a stint as the Minister of Land, Infrastructure, Transportation and Tourism. The Minister proposed a meeting with Governor Daniels when he learned that the governor would be making his fifth official visit to Japan this year. “It was an honor to spend time with one of Japan’s top leaders this morning. The Minister is known for his positive outlook on U.S. – Japan relations and I thanked him for reinforcing the need that this bilateral relationship be an unambiguously strong one,” said Daniels. The two also discussed the current state of the economy in both the U.S. and Japan, the governor said.



After the meeting Daniels attended lunch with the top officials from Kayaba Industry Co., parent company of KYB America which manufactures gas struts and shock absorbers for automotive and all-terrain vehicles in Franklin. The lunch meeting with KYB was the last official event of Daniels’ jobs mission before he and the state delegation boarded the plane to return to the U.S.

The governor said that his conversations with Chinese and Japanese companies over the past 11 days have generated several strong leads



Gov. Daniels inspects products from Kayaba Industry Co., parent company of KYB America which manufactures gas struts and shock absorbers for automotive and all-terrain vehicles in Franklin. The company has been in Franklin for 13 years and supplies parts to customers including Toyota, Honda, Subaru, Nissan, Suzuki and Yamaha. KYB employs more than 600 Hoosiers in Johnson County. “KYB is one of the many companies we called on to thank while in Japan. The company is currently evaluating growth potential in the American market so our visit was timely,” said Daniels. (State of Indiana Photo)

that the state will be following up on and that some new prospects are expected to make site visits to Indiana as soon as by the end of the year. As a result of the Asia trip, email marketing provider ExactTarget, whose chief executive Scott Dorsey traveled in the governor’s delegation, is close to finalizing a strategic partnership with a major technology communications provider in Japan that will bring ExactTarget’s products and services into the Japanese market.

“When a business like ExactTarget is able to make money in other parts of the world, we know that means many of those dollars will come home to Indiana in the form of growth at the company’s home base so these transactions are very beneficial,” said Daniels. “I am coming home encouraged about the promise of the concrete leads and new job opportunities we have identified for near-term

follow-up,” said Daniels.

Daniels was headed to San Diego where he will attend the Republican Governors Association Thursday and Friday Next Tuesday, he will address the Indianapolis Downtown Rotary Club about his legislative agenda.

Field set for SD13 Republican caucus

KENDALLVILLE - The deadline for candidates to file for the Senate District 13 caucus to select a replacement to fill the remainder of Rep. Marlin Stutzman’s term passed at 10 a.m. today. The candidates for Saturday’s caucus include: Regan Ford, Harold Gingerich, Susan Glick, Gary Leatherman and Dennis Zent. The caucus will begin at 10 a.m. Saturday at the Four County Area Vocation Cooperative in Kendallville.