

Senate Selection

Donnelly, Mourdock Offer Clear Contrast

By Matt L. Ottinger

When Sen. Richard Lugar was ousted in the 2012 Republican primary by Indiana State Treasurer Richard Mourdock, that seat opened up for the first time since 1976. Hoosiers have a choice to make in November, and Mourdock and his Democrat opponent – current U.S. Rep. Joe Donnelly – offer two distinct visions for the future. The candidates sat down separately with BizVoice® to answer the same questions.

With the lack of bills moving through Congress, regulatory agencies have become much more aggressive. Have they overstepped their bounds?

Joe Donnelly: “I think the (Environmental Protection Agency) has. I talk to our agricultural community all the time. We need to listen to them and make their lives easier, as opposed to more complicated. So I have co-sponsored bills that (include) sunset commissions and working together to try to remove as many regulations as possible that don’t make sense.”



Richard Mourdock: “To me, the lack of bills going through Congress is not the cause of why regulatory agencies have gone wild. They’ve gone wild at the behest or acquiescence of the Obama administration. I think this administration – more than any in American history – sees American business as someone to punish. They want to punish them with more taxes and regulations; frankly, I don’t get it. The only hope we have of growing our economy and putting people back to work are those same businesses. Until this administration or a subsequent administration starts to reel in the regulators, you’re going to see more crimping on businesses, which is a bad thing.”

Tax reform is an area in which there seems to be no shortage of ideas. What changes do you support to help ignite the economy and create jobs?

JD: “I think you’ll see the corporate tax rate as part of an overall deficit or debt reduction agreement. I think you’ll see corporate tax rates go from 35% to somewhere in the neighborhood of 25%. I support repatriation efforts to bring those funds back because I think they can create more jobs for small businesses. I support making the research and development tax cut permanent and to also have enhanced expensing, so we can expense out equipment purchases quicker, which provides more benefits to companies.”

RM: “Regulatory environment needs to be rolled back; that is everything from the world of finance, with (the Dodd-Frank Wall Street reform and Consumer Protection Act) to the uncertainty of Obamacare. Even after Thursday (this interview was conducted just before the June 28 Supreme Court ruling that rendered the Affordable Care Act constitutional), there will be mammoth uncertainty. If they don’t repeal any of it, the question is, ‘How is it repealed?’... With those two issues, then (maintaining) the Bush tax cuts, we have to send certainty back to the markets and individual investors who want to start that small business. Until we have an administration that has its first priority as creating wealth, not redistributing it, we’ll see a stagnant economy.”

U.S. Senate candidates Joe Donnelly and Richard Mourdock are traveling the state on the campaign trail. The photos accompanying their comments show them engaging with voters and also include their respective visits to the Indiana Chamber for these interviews.

Indiana is currently a donor state when it comes to transportation funding. How can/should highway funding be changed, if at all? Do you also see a need for increased federal support of other transportation infrastructure, like more rail?

JD: “What we were able to do (in late June) was get a highway transportation bill. For Indiana, we moved up our rate of return to a minimum of 97 cents on the dollar (Indiana had previously been at 92 cents). While not yet dollar for dollar, it was a significant increase and we’ll continue to work toward that. The way we were able to do it was by the entire delegation working together. It wasn’t Democrats or Republicans; it was the entire delegation working together – sitting down and fighting for Indiana. It worked very well. It enabled us to produce a better final version of the bill than the initial version we saw.



“Regarding rail development, we want to make sure we develop new technologies, but at the same time not increase our debt burden.”

RM: “Does the federal government have a role to play in transportation? Absolutely. Even the enumerated powers mentioned that in the funding of what they described as ‘post roads.’ To the donor state issue, I’ve been reviewing and have spoken to Sen. (Dan) Coats’ staff about his bill that would cause states to keep the federal highway money they collect. At this point, I’m leaning toward supporting that if I get elected. I think the fact that Indiana continues to put up a dollar and only gets back 92 cents while some states are getting two or three dollars is unacceptable. Indiana has – and pardon the pat on my own back – done an amazing job with Major Moves and handling the funding we’ve had and being responsible. When you have that type of innovation going on, I think one thing the states would be well-served by is for the federal government to give us 100% of that funding so we can be more creative and get more leverage for those dollars to make things work.

“On the rail side, I haven’t seen any project yet regarding so-called high speed rail that is something I want to jump on. Every one of those I’ve seen is economically under water. I would obviously look at them on a case-by-case basis...”

The common perception is that the U.S. Senate and Washington are in a state of gridlock. Do you agree? If so, what is the solution?



JD: “I do agree. I think the solution is that instead of worrying about Democrat or Republican, what members of Congress need to worry about is just doing what’s right for our country. When we do that, the gridlock will move away. You’ve seen that in the past month or so with the Indiana delegation. We’ve worked closely on the transportation bill (the conference report of the surface transportation bill was passed in the House of Representatives on June 29), on saving Fort Wayne’s Air National Guard Base (from being retired by the Air Force), on veterans’ issues in South Bend and elsewhere in our state. It’s produced very solid and very positive results. The more we decide to work together, the better off we’ll be. It’s not about red states or blue states, but the United States of America.”

RM: “Clearly there is gridlock when you have Republicans controlling the House and Democrats controlling the Senate. That is a recipe for gridlock in normal times, even more so right now because of a polarization of the parties at this time of economic crisis. Republicans think the best answer is to roll back the size of government and let people keep more of their own money and Democrats think the opposite – that we need to make government bigger and borrow more. How do you put an end to gridlock? Frankly, by having Republicans win majorities in the Senate and House and hopefully take the White House as well. But at least with the GOP holding the House and Senate, you’d see a break in the legislative deadlock.”



Small businesses create jobs. What can Congress do to help entrepreneurs start or grow their own businesses?

JD: “Small businesses are the engine of Indiana’s economy and the country’s economy; that’s where jobs are created. First and foremost is for government to stay out of the way as much as possible. The entrepreneurial spirit we have in Indiana makes our businesses a success. The things we can do like make the (research and development) tax credit permanent, helping expensing happen quicker so that they get better tax benefits on equipment purchases and such, those are the kinds of things that will help our small businesses be successful.”



RM: “Getting regulatory environment out of the way is a huge thing. Two issues I hear about that are small business issues – and in a way, large business issues, too. One comes back to making sure the intellectual property that’s developed by anyone is better protected. It’s a real threat to what we see in growing those businesses as more of our intellectual properties are being violated by people overseas. I personally remember back in the mid-1980s when we were very deep in the recession, and one of the things that moved us out of it very quickly was the Investment Tax Credit (ITC) ... especially for small businesses. That had a huge impact because businesses had languished through a three- or four-year period, like now. Their equipment was wearing out, yet they didn’t want to take the risk to buy new equipment. That rippled through the economy when the ITCs came through and it meant they got their money back faster, along with accelerated appreciation. Those two things really caused people to start buying products and sent a positive shock to the economy. I think it would be positive again. ...

“We have to have the goal of getting the economy growing at least 3.5% GDP growth per year. With now \$16 trillion in debt, we can’t spend, cut or tax our way out of it. The money’s just not deep enough for us to do that. We have to be growing the economy, with accelerated appreciation and ITCs, and make sure we have the proper infrastructure that we need. I think those are the most helpful things government can do in a short period of time.”

Why are you the best candidate to represent Indiana in the U.S. Senate?

JD: “I think there’s a crystal clear choice here. Mr. Mourdock talks about how he wants to see more partisanship and more division in Washington. I can’t think of anything that would make it more unlikely to have success than to just continue the partisan divisions and the constant fighting that we’ve seen. Hoosiers don’t expect our legislators to try to constantly cause division. We all stand on principle; we all have very strong principles, but we also try to work together. ... Hoosiers want answers, not people going to Washington to cause more division.

“Secondly, I am focused like a laser on jobs. We were able to see Chrysler come back strongly; it’s helped to save or create 150,000-plus jobs in Indiana. You don’t always get to make easy decisions, but you are charged with the obligation to make decisions that are right for our country and our state. My focus will be on jobs and job creation, so every Hoosier who wants a job can get a job. What I never ever forget is that good jobs are created by our companies being successful, and one small part of our companies being successful is having legislators who understand and focus on making sure the government works to benefit our companies rather than make their lives more difficult.”

RM: “Because I understand how the economy works and I’m willing to make hard choices. I certainly confess to being a politician, but not a career politician; I spent 31 years in the private sector. My six years as state treasurer was the only time I’ve had a full-time government job. I’m not running for office for a career, but I’m doing this to cap off my career by hopefully giving back to this great country. If we don’t get the economy growing at 3.5%, this debt will swallow us and we won’t recognize this country. As someone who understands



small and large businesses – having worked for both – and government when it works well, which is Indiana government, we’ve reduced taxes, capped taxes, had our credit rating go up – I think that’s the right resumé for a time such as this.”

There have been studies, panels, discussions, etc. regarding how to control federal spending. What actions need to take place?

JD: "I think you're going to see both the Senate and the House working to come to a grand bargain to reduce the deficit and have significant spending reductions. So that's going to be ongoing. Preparations for that are taking place right now and will probably swing into high gear right after the election. We have got to make sure federal spending drops significantly and that we are in a position where – instead of growing the debt – we reduce the debt and head toward a surplus."



RM: "We're at this polarizing moment where both sides see totally different answers. There was a quote from President Lincoln prior to the start of the Civil War: 'The present agitation must continue until one side prevails over the other in the public's mind.' The American people need to decide which agenda they support. Will it be the Republican agenda, which says we live within our means, or will it be the Democrat agenda that wants us on the European model? Both sides will be making their arguments until the election and we'll see which side prevails. If one side prevails, you'll see action in that direction. If not, I think we're in for more deadlock."



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