



APPLE'S LATEST | iPhone 4 set to debut this month. C8

BITE OF THE BULLDOG | Butler's basketball success has an impact. C1



South Bend Tribune

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Total Industries closes

■ 45 people lose their jobs.

By JIM MEENAN
Tribune Staff Writer

SOUTH BEND — Total Industries International of South Bend closed Friday, an owner confirmed Monday afternoon. Lynn Long said the company was shut down by a bank Friday, and he expects the bank to liquidate the company. That means the 45 employees there are out of work, he confirmed, as he sat outside the business in his vehicle. Total Industries, which is located just north of the South Bend Regional Airport at 3333 West Lathrop Drive, is a plant that produced aluminum and

steel molds and tooling. "I have worked here since 1986; it was a sad weekend," Long said. "We are one of the manufacturing sites decimated by the recession. It had a lot to do with it." He said banks are not willing to do much for smaller companies struggling with their credit. Long did say that reports that people who worked there had lost their pensions are not true. The 45,000-square-foot plant once employed 65 people, and was founded in 1984, according to the company's website. The company touted its single-source planning, communication and control on the site. Jeff Gibney, director of the department of community and economic development for South Bend, said the company

In Business

Open Range RV is expanding in Shipshewana, but Pace American of Middlebury has notified the Indiana Department of Workforce Development of its possible closure. **Page C8**

did not contact his department for help. However, that department does offer companies help, taking the second position on loans after checking their credit background. Such loans first require a primary lender. "We manage an industrial revolving loan fund that is low in-

terest," Gibney said. "We don't have zillions of dollars, but we have money. It's a revolving loan fund; terms are reasonable. We take a second position on all loans, which is attractive to some people that can't borrow the full amount they need from a traditional lender." A company might need \$500,000, Gibney said, and can only get a loan for \$300,000. His department might then loan the additional \$200,000. "So we will come in and make up a potential gap or complete the financing that they need, and put ourselves in a second position, which makes the primary lender more comfortable." The lack of contact with his department might indicate that Total Industries International was beyond that point.

Congress debating 'swipe' card fees

■ Financial overhaul could set limits on what banks, credit companies can charge merchants.

By JIM KUHNHENN
Associated Press Writer

WASHINGTON — Swipe your debit card at the supermarket and you've placed yourself at the heart of a contentious congressional debate. On one side are banks like JPMorgan Chase and Bank of America and credit card networks like Visa and MasterCard. On the other are retailers, including giants like Wal-Mart and Target.

At issue: The "swipe" fees banks charge merchants for one of today's most commonplace conveniences. At stake: up to \$20 billion in potential bank losses and merchant gains. For consumers, it could mean lower prices at the local store or restaurant, or it could result in higher bank charges, fewer "rewards" for credit card users or even the imposition of an annual debit card fee.

The fight over plastic has been raging for years — a federal appeals court once called it "a clash of commercial titans." Now it's landed in the middle of a massive financial regulatory bill primarily aimed at restraining Wall Street.

Both sides have unleashed potent, well-heeled lobbying operations. Their efforts will converge on two weeks or more of negotiations between House and Senate lawmakers who are working to blend two separate financial overhaul bills into one.

The Senate bill contains a measure that would require the Federal Reserve to set limits on what fees banks and credit card networks can charge merchants for a debit card payment. The House bill has no such provision.

First, a quick lesson in shopping. A debit card payment taps directly into a customer's bank account and, as such, is akin to writing a check. A credit card payment, on the other hand, is in effect a loan from the bank. One carries more risk than the other. As a result, banks and credit card networks generally charge merchants up to 3 percent for credit card use. For debit card use, the charge to merchants is one-fourth to one-half as much.

Merchants maintain that the fee charged for debit cards, also called an "interchange" fee, is too high. Banks and Visa and MasterCard say the fee takes into account the cost of setting up and maintaining a secure and sophisticated debit payment system.

Last year, \$1.21 trillion in purchases were paid with debit cards processed through the Visa and MasterCard networks, generating in \$19.7 billion in fees paid by merchants, according to data from The Nilson Report, a trade publication. Most of the fees went to banks that issue debit cards.

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Residents escape tornado

By DOUGLAS FARMER
Tribune Staff Writer

DOWAGIAC — When his garage service door blew open Saturday night, Mitch Hessinger instinctively tried to close it. Doing so may have saved his life as a tornado tore his garage down around him seconds later. "I was just working in the garage, basically just watching the storm because it was your garden variety storm, some lightning and thunder, not even much wind," Hessinger said of the storm that hit between Dowagiac and Cassopolis around midnight.

In the midst of the storm

"Next thing I know, my service door blew open, so I went over to it and tried to close it, and it was blowing so hard I couldn't even close the door with all my strength."

As he struggled with the service door, the overhead door started to crack, and seconds later, Hessinger stood taller than his garage.

"The place basically just exploded and fell down on top of me," he said. "It was like the cartoons. Since I was holding the service door shut, the wall came down, and I stood in the door frame, with the doorknob still in my hand."

Meanwhile, Hessinger's 78-year-old mother, Nancy Hessinger, and his sister, Kathy Hessinger, had just raced to the basement of the house before the tornado struck.

It was an EF-1 tornado, bringing winds between 86-110 mph, according to the National Weather Service.

Kathy and her mother were about to head to bed when Kathy heard the tornado make what she called "that train sound."

See STORM/A2

Neighbors share stories about Saturday storm



Tribune Photo/MARCUS MARTER

Mitch Hessinger surveys the damage of his leveled garage on Michigan 62 between Cassopolis and Dowagiac Monday. Hessinger was working in his garage Saturday night when a tornado tore the garage down. Hessinger was standing in the doorway, pictured at left, when the garage collapsed.



Greg Roberts and Tom Cagney of LaGrange Township near Dowagiac survey damage to a metal barn that was leveled during a Saturday night tornado. The sole remaining wall, built by Cagney, was toppled during the tornado, but remained intact and was propped up by Cagney's work benches Monday.

Tribune Photo DOUGLAS FARMER

See FEES/A2

Public meetings set to discuss possible LaSalle closure

By MARGARET FOSMOE
Tribune Staff Writer

SOUTH BEND — Two meetings have been set for local residents to discuss the possible closing of the St. Joseph County Public Library's LaSalle Branch.

A committee of the South Bend Common Council will meet at 6 p.m. Thursday at the LaSalle Branch, 3232 W. Ardmore Trail.

The meeting was called by council member Henry Davis Jr., D-2nd, chair of the community relations committee. The meeting is open to the public and will include an opportunity for public comment, Davis said.

The Community Forum for

Economic Development will hold a meeting at 7 p.m. June 15 at the LaSalle Branch. Library director Donald Napoli has been invited and plans to attend. The possible closing of the branch will be among the topics discussed.

Library administrators said recently that financial concerns and a continuing circulation drop at the LaSalle Branch might result in a recommendation later this year that the near-northwest side branch be permanently closed. The branch reopened last year after a \$1.2 million renovation and expansion.

Library administrators on Monday released more data regarding public use of the branch. The LaSalle Branch opened

in 1982, when neighboring LaSalle Square Shopping Plaza was a busy retail center. LaSalle hit a peak annual circulation of 186,851 items loaned in 1991, and circulation has been declining steadily ever since.

The branch loaned 17,490 items in the first quarter of this year, putting it on track for a projection circulation of about 70,000 for 2010, Napoli said.

In order to avoid a closure recommendation, LaSalle would have to reach an annual circulation close to that of the Western Branch — which is expected to be 115,000 to 120,000 items this year, Napoli said. "And it would have to be sustainable.

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Tribune Photo/SANTIAGO FLORES

The St. Joseph County Public Library's LaSalle Branch was largely vacant at midday Wednesday.



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FROM PAGE A1

Storm: Neighbors share stories

As they made it into the basement, most of the windows in the house shattered because of the wind. Fortunately, Kathy had left a couch beneath one of those windows only a few minutes earlier.

"The couches are covered in glass, including the one I had I just been sitting in watching TV," Kathy said. "Thank goodness 'Saturday Night Live' was so terrible that night. I decided it wasn't worth me staying up."

Once Mitch realized what had just happened around him, his thoughts turned to his family.

"I came to and got the debris off me," he said. "I thought my house was gone, my mom was dead, my sister was dead. I can't believe I'm not dead."

He managed to get into the house, and started yelling out the names of his sister and mother. Seconds later Mitch was overcome with relief when he could hear them yelling from the basement.

"I know what bothers him," Nancy said of her son. "By the time he got up and climbed into the house, we had run down to the basement, so he couldn't find us. He thought we were both dead."

After regrouping, Mitch met with some of his neighbors out on the street where a roll-call of sorts was taken as the group ex-



A headstone remains intact at the base of an uprooted tree following a Saturday night tornado at Van Riper Cemetery on Twin Lakes Road between Cassopolis and Dowagiac.

Tribune Photo/MARCUS MARTER

changed stories and damage reports. It became quickly apparent that the damage was concentrated in about a three-quarter mile area, stretching through the neighborhood, just north of LaGrange Township, from the northwest to the southeast along Michigan 62.

Concentrated damage

"Nobody can believe it," Mitch said. "You go half a mile down the street and there is no damage. The guy across the street, you can't even tell the storm hit him."

But the neighbors next to Mitch's nine acres certainly felt the damage. Tom and Mary Cagney live three lots south of the Hessingers, and their two

garages, a 100-year-old wooden barn and a newer metal barn, were both completely flattened by the storm.

An easily recognizable painted Mail Pouch Tobacco sign adorned the wooden barn, but now is lost in a pile of hand-hewn beams and paneling with exposed nails, while the metal barn became an assortment of twisted sheets of metal in trees, extending as far south to Van Riper Cemetery three-quarters of a mile away.

"Just about 30 seconds before it hit, we were standing in the doorway," Mary Cagney said. "I was trying to get the cat to come into the house, and he wouldn't come in. My husband was yelling, 'leave him, get into

the basement.' "

The only trees still standing on the front half of the Cagneys' lot are the two trees that tower above the house.

"Looking at how we got missed, that tree didn't come down," Mary said. "I have no idea how the two most unhealthy trees on the lot didn't come down, and if they did, they would have twisted out the house."

Instead, the house was still standing, so Sunday night a certain cat was able to return home.

"He showed up last night, all crusty and knotted up. He couldn't meow, and now he is just hiding from everything."

Rethinking life

Mitch Hessinger is still a

little startled himself. The Saturday-night experience made him think things he had never before considered, he said.

"I did five years of service in the military. I'm almost 50 years old, and I've never thought I was going to die. I thought I was going to die Saturday night," he said. "I figured they would find me in Three Rivers in pieces."

Instead, both the Hessingers and the Cagneys have flattened trees, garages and barns to clean up, but they remain grateful.

"I've cried about (the damages) too," Mary Cagney said. "But the thing is, we're all here."

Staff writer Douglas Farmer. dfarmer@sbtinfo.com

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A LOOK AT WHAT'S COMING

WEDNESDAY



Growing number of baby boomers see sports as a way to feel young again.

In ourHealth

THURSDAY



Got plans? In Weekend in the Bend

FRIDAY



Ap Photo/EDUARDO VERDUGO

"The A-Team" releases starring, from left, Quinton 'Rampage' Jackson, Bradley Cooper, Jessica Biel and Sharlto Copley.

In Movies

SATURDAY



Coverage of the World Cup in South Africa. In Sports

Germany, UK plan financial cuts

LUXEMBOURG (AP) — Europe's economic picture darkened further Monday as Britain's prime minister declared the nation's finances to be worse than feared — requiring sacrifices that will affect "our very way of life" — and the euro slid further toward parity with the dollar.

Germany, Europe's economic powerhouse, promised a raft of spending cuts, vowing to "set an example" for heavily in-

debted Greece, Spain and Portugal, which are buckling under their debt loads and threaten to drag Europe's currency union down with them.

With even an unprecedented multi-billion dollar rescue package failing to fully convince investors, European nations are scrambling to regain credibility and shore up market confidence by proving they can get their houses in order.

There is no doubt the cuts will be painful, and government leaders are preparing their citizens for the blow.

German Chancellor Angela Merkel says Germany needs to save euro80 billion (\$96 billion) through 2014 by reducing hand-

outs to parents, cutting 15,000 government jobs and delaying projects such as construction of a replica of a Prussian palace in Berlin.

British Prime Minister David Cameron warned in a speech of painful cutbacks that may shape the nation for an entire generation and are necessary because "the overall scale of the problem is even worse than we thought."

"How we deal with these things will affect our economy, our society — indeed our whole way of life," he said. "The decisions we make will affect every single person in our country. And the effects of those decisions will stay with us for years, perhaps decades to come."

Cameron's government will announce cuts at a June 22 emergency budget, less than two months after coming to power at the head of Conservative-Liberal Democrat coalition. On Monday, he remained vague on details of how his government plans to close its record deficit, which reached 152.8 billion pounds (\$221.5 billion) or 10.9 percent of economic output in the last fiscal year.

German and British efforts to close their budget deficits — or the yearly gap in government spending and revenue — come after Spain and Portugal were ordered to toughen austerity programs to keep them from needing a bailout like Greece.

FROM PAGE A1

Closure: Meetings to be held

Frankly, I don't think it's sustainable at LaSalle," he said.

The library staff is compiling additional data about LaSalle, including number of visitors, number of library cards requested there and number of reference questions answered at the branch. "My experience has been, if circulation is high, so is everything else," Napoli said.

If the library board decides that LaSalle must re-

main open, it likely will mean recommending more hour and staffing cuts at library locations systemwide, the director said.

During the past 18 months, the county library has cut \$1.2 million from its operating expenses, mostly the result of reduced property tax support because of Indiana's tax cap law. Hours, staff,

services and purchases have been reduced.

For more data and additional information about the possible closing, visit the library's website: www.libraryforlife.org.

Staff writer Margaret Fosmoe: mfosmoe@sbtinfo.com (574) 235-6329

FROM PAGE A1

Fees: Debate lands in Congress

While the largest banks and the largest retailers have the most dollars riding on the congressional outcome, the two combatants have cast the debate in terms of hurting small community banks and credit unions on one side or small businesses on the other.

The Senate proposal, written by Sen. Dick Durbin, D-Ill., would require the Federal Reserve to set "swipe" fees for debit cards that are "reasonable and proportional" to the cost of processing the

transaction. To win votes for it, Durbin exempts banks that have assets of \$10 billion or less.

But small banks and credit unions argue they would still be hurt, saying they, too, would have to lower their fees to remain competitive with larger institutions whose fees would be lowered by the Fed.

"Currently, the smallest credit union and the largest bank in the world receive the same interchange fee when their respective customer uses their debit card," Fred Becker, president and CEO of the National Association of Federal Credit Unions, wrote last week to Fed Chairman Ben Bernanke. "The interchange amendment, however, destroys this equal footing."

Durbin's success in the Senate stunned banks and their lobbyists. Years of lobbying by retailers for limits on credit or debit cards had

failed to generate a single House or Senate vote. But banks aren't popular these days and the pressure from home-state retailers tilted the scale. Of the 64 senators who voted for Durbin's proposal, 17 were Republicans — a strong bipartisan signal to lawmakers blending the larger financial regulations bill.

Both sides claim that placing limits on the fees will have direct consequences for consumers — banks, Visa and MasterCard say it will be for the worse; merchants say it will be for the better.

Australia cut credit and debit card fees on merchants by half and debit card holders particularly benefited from the change, according to the Reserve Bank of Australia. But credit card holders saw an increase in their bank fees and a reduction in cardholder rewards, such as fewer points or airline

miles. Merchants also started imposing surcharges on some credit card transactions.

Banks and credit card networks warn of similar ill effects in the United States, ranging from higher fees on credit cards to service fees on charge accounts. "We are convinced that fees to consumers would go up and services would be reduced," William Sheedy, group president of the Americas for Visa Inc., said in an interview.

Retailers dismiss that claim as a cynical attempt to sway lawmakers.

"Their response to being told that they're doing something wrong is to say, 'OK, if you keep us from doing something wrong to this person, we're going to go do something wrong to somebody else,'" said J. Craig Shearman, vice president for government affairs at the National Retail Federation.



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Lotteries

Drawings held Monday, June 7

Indiana

- MIDDAY DAILY 3: 544
- MIDDAY DAILY 4: 7346
- EVENING DAILY 3: 213
- EVENING DAILY 4: 2034
- MIDDAY LUCKY 5: 01 25 26 29 34
- EVENING LUCKY 5: 02 12 20 32 36
- QUICK DRAW: 03 05 08 21 22 25 28 32 38 42 52 58 59 64 70 71 73 74 78 80
- Estimated Hoosier Lotto Jackpot: \$14 million
- Estimated Powerball Jackpot: \$28 million

Michigan

- MIDDAY DAILY 3: 106
- MIDDAY DAILY 4: 3581
- EVENING DAILY 3: 880
- EVENING DAILY 4: 6481
- FANTASY 5: 08 11 15 25 38
- KENO: 01 12 26 28 32 33 34 36 37 41 42 46 48 54 56 58 62 64 65 71 75 78
- Tonight's Mega Millions Jackpot: \$26 million
- Wednesday's Classic Lotto 47 Jackpot: \$1.2 million

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